



Proposal of Insurance

Rock Island Milan School District #41

2000 7th Avenue
Rock Island, IL 61201

Presentation Date: November 14, 2025

Arthur J Gallagher Risk Management Services, LLC
A/J License Nos. IL 100292093 / CA 0D69293



Gallagher

Insurance | Risk Management | Consulting

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Executive Summary

Arthur J. Gallagher Risk Management Services LLC appreciates the opportunity to present this proposal for your consideration.

EXECUTIVE SUMMARY

I. CYBER LIABILITY

- In addition to the current carrier, Tokio Marine, we sought other options as this sector is starting to see decreasing costs. With the \$1,000,000 still continuing, here are our findings:

	Tokio Marine	CFC	Corvis	Coalition	Cowbell	Westchester
Retention	\$25,000	\$25,000	\$25,000	\$25,000	\$15,000	\$15,000
Premium	\$34,574	\$20,000	\$18,034	\$17,733	\$13,707	\$13,137

Based on reduced cost and better terms and conditions, we are recommending a change to Westchester (Chubb).

II. WORK COMP

- Payrolls revised from \$60,237,604 to \$62,398,375

Schools – Professional	\$56,244,046 to \$58,262,587
Schools – Other	\$ 3,778,018 to \$ 3,910,248
Drivers	\$ 225,540 to \$ 225,540
- State rates revised:

Schools – Professional	\$.36 to \$.35
Schools – Other	\$3.34 to \$3.50
Drivers	\$8.53 to \$8.93
- Experience Modification increased from 181% to 120% with the addition of the 2023/24 year with \$749,112 losses & the elimination of 2020/21 with \$330,320 losses.
- Historical incurred losses/claim count:

24/25	\$168,429
23/24	\$746,546
22/23	\$725,348
21/22	\$583,890
20/21	\$367,115
- In addition to the current carrier, United Heartland, we sought alternate proposals from the following Work Comp carriers: Zenith, Encova, Synergy, BHHC, QBE, Berkley Net, Amtrust, Hartford, Core Specialty, ICW, Employers, Key Risk, MEM, Applied, Summit, Method.

United Heartland	\$ 898,358
BHHC	\$ 950,685
Hartford	\$1,100,000
Zenith	\$1,000,000
Summit	\$1,000,000
Core Specialty	\$1,200,000
Berkley Net	\$1,300,000

In addition to its Guaranteed Cost program, United Heartland offered a variable premium option based on losses ranging from \$446,000 to \$1,393,000 (copy attached). Our recommendation for 2025/26 term is to continue coverage with United Heartland.

III. PROGRAM COST

	Expiring	Recommended
Work Comp	\$684,522	\$898,358
Cyber Liability	<u>\$ 34,853</u>	<u>\$ 13,137</u>
	\$719,375	\$911,495

In the following pages, we will demonstrate what makes our company the best fit for your insurance placement and risk management needs. Thank you again for allowing us to be your partner in this placement.

Kevin O'Hara

Friday, November 14, 2025

Account: **Rock Island Milan School District #41**
 Effective Date: 12/1/2025

\$250k Incurred Loss Retrospective Plan

Program Structure:	
Program Type	Incurred Loss Retro
Standard Premium*	\$966,166
Total Payroll	\$62,398,375
Minimum rate per \$100 of payroll	0.656
Minimum Premium*	\$409,333
Maximum rate per \$100 of payroll	2.174
Maximum Premium*	\$1,356,541
Basic Factor per \$100 of payroll	0.656
Tax Multiplier	1.000
Per Occurrence Loss Limit	\$250,000

Estimated Premium Elements	
Basic Premium	\$409,478
Expense Constant:	\$160
Surcharges/Assessments:	\$9,687
Terrorism Premium:	\$13,728
Catastrophe Premium	\$12,480
Stop Gap	\$0
Total Non-Subject Premium:	\$36,055
Loss Conversion Factor	1.000

Losses to Maximum

Limited Incurred Loss and ALAE	Loss Conversion Factor	Basic Premium	Tax Multiplier	Retro Premium	Non-Subject Premium	Total Premium
\$0	1.000	\$409,478	1.000	\$409,478	\$36,055	\$445,533
\$50,000	1.000	\$409,478	1.000	\$459,478	\$36,055	\$495,533
\$100,000	1.000	\$409,478	1.000	\$509,478	\$36,055	\$545,533
\$150,000	1.000	\$409,478	1.000	\$559,478	\$36,055	\$595,533
\$200,000	1.000	\$409,478	1.000	\$609,478	\$36,055	\$645,533
\$250,000	1.000	\$409,478	1.000	\$659,478	\$36,055	\$695,533
\$300,000	1.000	\$409,478	1.000	\$709,478	\$36,055	\$745,533
\$350,000	1.000	\$409,478	1.000	\$759,478	\$36,055	\$795,533
\$400,000	1.000	\$409,478	1.000	\$809,478	\$36,055	\$845,533
\$450,000	1.000	\$409,478	1.000	\$859,478	\$36,055	\$895,533
\$500,000	1.000	\$409,478	1.000	\$909,478	\$36,055	\$945,533
\$550,000	1.000	\$409,478	1.000	\$959,478	\$36,055	\$995,533
\$600,000	1.000	\$409,478	1.000	\$1,009,478	\$36,055	\$1,045,533
\$650,000	1.000	\$409,478	1.000	\$1,059,478	\$36,055	\$1,095,533
\$700,000	1.100	\$409,478	1.000	\$1,179,478	\$36,055	\$1,215,533
\$750,000	1.000	\$409,478	1.000	\$1,159,478	\$36,055	\$1,195,533
\$800,000	1.000	\$409,478	1.000	\$1,209,478	\$36,055	\$1,245,533
\$850,000	1.000	\$409,478	1.000	\$1,259,478	\$36,055	\$1,295,533
\$900,000	1.000	\$409,478	1.000	\$1,309,478	\$36,055	\$1,345,533
\$947,063	1.000	\$409,478	1.000	\$1,356,541	\$36,055	\$1,392,596

Retrospective Rating Plan Formula:

$(\text{Basic Premium} + \text{Converted Loss}) \times \text{Tax Multiplier} = \text{Retrospective Premium (subject to Minimum \& Maximum)} + \text{Not Subject Premium} = \text{Total Premium}$

*Does not include Non-Subject Premium

Premiums shown are using quoted payrolls. Final premiums will be based on audited payroll and rates per \$100 in payroll shown above.

Please note our proposal is designed to be all inclusive program. We do not have additional outside charges on this program. Please refer to the service plan to see what is included.

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Your Gallagher Team

Your Gallagher team is a true partner. We have the expertise to understand your business and we're here to service and stay alongside you, every step of the way.

<i>Service Team</i>	<i>Email</i>	<i>Phone</i>
Kevin O'Hara, CPCU, ARM Area Senior Vice President	Kevin_OHara@ajg.com	(309) 948-2226 (p)
Jordan Roland Client Service Manager II	Jordan_Roland@ajg.com	(309) 948-2219 (p)

Program Structure

Named Insured

Named Insured	Cyber Liability	Workers' Compensation
Rock Island Milan School District #41	X	X

Note: Any entity not named in this proposal may not be an insured entity. This may include affiliates, subsidiaries, LLCs, partnerships, and joint ventures.

Market Review

We approached the following carriers in an effort to provide the most comprehensive and cost effective insurance program.

Line Of Coverage	Insurance Company ** (AM Best Rate/Financial Strength)	Market Response *	Admitted ***
Cyber Liability	Westchester Fire Insurance Company (A++ XV)	Recommended Quote	Admitted
	Houston Casualty Company (A++ XV)	Quoted	Non-Admitted
Workers' Compensation	Accident Fund Insurance Company of America (A XV)	Recommended Quote	Admitted
	Zenith Insurance Company (A X)	Indication (Written)*	Admitted
	Method LLC	Declined to Quote - No Market for this Type of Business	
	Applied Risk Services, Inc.	Declined to Quote - No Market for this Type of Business	Admitted
	Summit Insurance Services Inc.	Declined to Quote - Pricing not Competitive	
	AmTrust Group	Declined to Quote - Adverse Claims Experience	
	Hartford Financial Services Group	Declined to Quote - Pricing not Competitive	
	Core Specialty Insurance Holdings, Inc.	Declined to Quote - Pricing not Competitive	
	W. R. Berkley Group	Declined to Quote - Pricing not Competitive	
	Berkshire Hathaway Insurance Group	Indication (Verbal)*	

*If shown as an indication, the actual premium and acceptance of the coverage requested will be determined by the market after a thorough review of the completed application.

**Gallagher companies use AM Best rated insurers and the rating listed above was verified on the date the proposal document was created.

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***If coverage placed with a non-admitted carrier, it is doing business in the state as a surplus lines or non-admitted carrier, and is neither subject to the same regulations as an admitted carrier nor do they participate in any state insurance guarantee fund.

Gallagher companies make no representations and warranties concerning the solvency of any carrier, nor does it make any representation or warranty concerning the rating of the carrier which may change.

Full Program Details

Cyber Liability

Carrier Information	Proposed
Policy Term	12/1/2025 - 12/1/2026
Carrier	Westchester Fire Insurance Company
A.M. Best Rating	A++ XV
Admitted/Non-Admitted	Admitted
Payment Plan	Annual/Pre-Paid(100%)
Payment Method	Agency Bill

Premium & Exposures	Proposed
Premium	\$12,637.00
- Broker Fee	\$500.00
TRIA	Included
Minimum Type	None
Estimated Cost	\$13,137.00

Standard Coverages	Proposed
Maximum Coverage Section Limit of Liability	\$1,000,000
A. Cyber Incident Response Fund - Limit of Liability Per Policy Period:	\$1,000,000
- 1. Cyber Incident Response Team - Limit of Liability Per Policy Period	\$1,000,000
- 2. Non-Panel Response Provider - Limit of Liability Per Policy Period	\$500,000
B1. Business Interruption Loss and Extra Expenses: Limit of Liability Per Policy Period:	\$1,000,000
- B1. Business Interruption Loss and Extra Expenses - Period of Restoration	180 Days
- Preventative Shutdown - Limit of Liability Per Policy Period	\$1,000,000
- Preventative Shutdown - Period of Restoration	180 Days
- Non-Malicious Computer Act - Limit of Liability Per Policy Period	\$1,000,000
- Non-Malicious Computer Act - Period of Restoration	180 Days
B2. Contingent Business Interruption Loss and Extra Expense - Limit of Liability Per Policy Period:	\$1,000,000
- B2. Contingent Business Interruption Loss and Extra Expenses - Period of Restoration	180 Days
- Preventative Shutdown - Limit of Liability Per Policy Period	\$1,000,000
- Preventative Shutdown - Period of Restoration	180 Days

Standard Coverages	Proposed
- Non-Malicious Computer Act - Limit of Liability Per Policy Period	\$1,000,000
- Non-Malicious Computer Act - Period of Restoration	180 Days
B3. Reputational Event - Limit of Liability Per Policy Period:	\$1,000,000
- B3. Reputational Event - Period of Restoration	180 Days
C. Digital Data Recovery - Limit of Liability Per Policy Period:	\$1,000,000
- Hardware Replacement Costs - Limit of Liability Per Policy Period	\$1,000,000
- Betterment Costs - Limit of Liability Per Policy Period	\$100,000
- Invoice Fraud Financial Loss - Limit of Liability Per Policy Period	\$250,000
D. Network Extortion - Limit of Liability Per Policy Period	\$1,000,000
E. Cyber, Privacy and Network Security Liability - Limit of Liability Per Policy Period:	\$1,000,000
- Regulatory Proceedings - Limit of Liability Per Policy Period	\$1,000,000
- Payment Card Loss - Limit of Liability Per Policy Period	\$1,000,000
F. Electronic, Social and Printed Media Liability - Limit of Liability Per Policy Period	\$1,000,000

Additional Coverages	Proposed
Sub-Limited Coverage Extensions for Widespread Events:	-
- Widespread Severe Known Vulnerability Exploit - Limit of Liability Per Policy Period - Sub-Limit	\$1,000,000
- Widespread Software Supply Chain Exploit - Limit of Liability Per Policy Period - Sub-Limit	\$1,000,000
- Widespread Severe Zero Day Exploit - Limit of Liability Per Policy Period - Sub-Limit	\$1,000,000
- All Other Widespread Events - Limit of Liability Per Policy Period - Sub-Limit	\$1,000,000
CBI / PD	\$250,000
Ransomware Encounter Sublimit - Each Cyber Incident and in the Aggregate for all Cyber Incidents	\$1,000,000
Funds Transfer Fraud Limit of Liability - Each Loss	\$500,000
Computer Fraud Limit of Liability - Each Loss	\$500,000
Social Engineering Fraud Limit of Liability - Each Loss	\$500,000

Additional Coverages	Proposed
Funds Transfer Fraud Limit of Liability - Aggregate	\$500,000
Computer Fraud Limit of Liability - Aggregate	\$500,000
Social Engineering Fraud Limit of Liability - Aggregate	\$500,000

Deductibles/SIR	Proposed
Retention: A. Cyber Incident Response Fund	\$15,000
Retention: 1. Cyber Incident Response Team	\$15,000
Retention: 2. Non-Panel Response Provider	\$15,000
Retention: B1. Business Interruption Loss and Extra Expenses	\$15,000
Deductible: B1. Business Interruption Loss and Extra Expenses - Waiting Period	6 Hours
Retention: B1. Business Interruption Loss and Extra Expenses - Preventative Shutdown	\$15,000
Deductible: B1. Business Interruption Loss and Extra Expenses - Preventative Shutdown - Waiting Period	6 Hours
Retention: B1. Business Interruption Loss and Extra Expenses - Non-Malicious Computer Act	\$15,000
Deductible: B1. Business Interruption Loss and Extra Expenses - Non-Malicious Computer Act - Waiting Period	6 Hours
Retention: B2. Contingent Business Interruption Loss and Extra Expenses	15,000
Deductible: B2. Contingent Business Interruption Loss and Extra Expenses - Waiting Period	6 Hours
Retention: B2. Contingent Business Interruption Loss and Extra Expenses - Preventative Shutdown	\$15,000
Deductible: B2. Contingent Business Interruption Loss and Extra Expenses - Preventative Shutdown - Waiting Period	6 Hours
Retention: B2. Contingent Business Interruption Loss and Extra Expenses - Non-Malicious Computer Act	\$15,000
Deductible: B2. Contingent Business Interruption Loss and Extra Expenses - Non-Malicious Computer Act - Waiting Period	6 Hours
Retention: B3. Reputational Event	\$15,000
Retention: C. Digital Data Recovery	\$15,000
Retention: C. Digital Data Recovery - Hardware Replacement Costs	\$15,000
Retention: C. Digital Data Recovery - Betterment Costs	\$15,000

Deductibles/SIR	Proposed
Retention: C. Digital Data Recovery - Invoice Fraud Financial Loss	\$15,000
Retention: D. Network Extortion	\$15,000
Retention: E. Cyber, Privacy and Network Security Liability	\$15,000
Retention: E. Cyber, Privacy and Network Security Liability - Regulatory Proceedings	\$15,000
Retention: E. Cyber, Privacy and Network Security Liability - Payment Card Loss	\$15,000
Retention: F. Electronic, Social and Printed Media Liability	\$15,000
Retention: Widespread Severe Known Vulnerability Exploit - Limit of Liability Per Policy Period - Sub-Limit	\$15,000
Retention: Widespread Software Supply Chain Exploit - Limit of Liability Per Policy Period - Sub-Limit	\$15,000
Retention: Widespread Severe Zero Day Exploit - Limit of Liability Per Policy Period - Sub-Limit	\$15,000
Retention: All Other Widespread Events - Limit of Liability Per Policy Period - Sub-Limit	\$15,000
Retention: Ransomware Encounter - Each Cyber Incident	\$15,000
Retention: Funds Transfer Fraud Limit of Liability - Each Loss	\$15,000
Retention: Computer Fraud Limit of Liability - Each Loss	\$15,000
Retention: Social Engineering Fraud Limit of Liability - Each Loss	\$15,000

Defense Limitations	Proposed
Included within policy limits	Included within policy limits

Form Type	Proposed
Form Type	E. Cyber, Privacy, and Network Security Liability, F. Electronic, Social And Printed Media Liability - Claims Made
Retroactive Date	E. Cyber, Privacy, and Network Security Liability, F. Electronic, Social And Printed Media Liability - Full Prior Acts
Pending & Prior Date	E. Cyber, Privacy, and Network Security Liability, F. Electronic, Social And Printed Media Liability - 12/01/2025

Definition Of Claim:

Claim Means any:

1. Written Demand Against any Insured for Monetary Damages or Non-Monetary or Injunctive Relief;
2. Civil Proceeding Against any Insured Seeking Monetary Damages or Non-Monetary or Injunctive Relief, Commenced by the Service of a Complaint or Similar Pleading;

Definition Of Claim:

3. Arbitration, Mediation, Or Other Alternative Dispute Resolution Proceeding Against any Insured Seeking Monetary Damages or Non-Monetary or Injunctive Relief, Commenced by the Receipt of a Written Demand, Or Service of a Complaint or Similar Pleading;
4. Criminal Proceeding Against any Insured Commenced by: (a) an Arrest, Or (B) a Return of an Indictment, Information, Or Similar Document;
5. Written Request Directed at any Insured to Toll or Waive a Statute of Limitations Applicable to a Claim Referenced in Paragraphs 1-4 Immediately Above; Or
6. Regulatory Proceeding Against any Insured, Including, Where Applicable, Any Appeal Therefrom.

Run Off Provisions:

Refer To Policy Form

Incident/Claim Reporting Provision:

Refer To Policy Form

Claims Made Disclaimer:

Should you elect to change carriers (if a new retroactive date is provided) or non-renew this policy, a supplemental extended reporting endorsement may be available subject to policy terms and conditions. You must request the extended reporting period in writing to the carrier within ([Days To Extend]) days of the expiration date. The cost of this extended reporting period is [Percent Cost]% of the annual premium and is fully earned. The extended reporting period extends only to those claims made during the extended reporting period for wrongful acts that occurred prior to the expiration date and would have been covered by the policy. Claims must be reported to the carrier within ([Days To Report]) days of the end of the policy period. The extended reporting period does not increase the limits of liability and is subject to all policy terms, conditions and exclusions.

Endorsements (including but not limited to)

Signatures - CC-1K11K-W (10/24)

The Westchester Portfolio Cyber & Professional Liability Policy General Terms and Conditions - Table of Contents - PF-59020TOC (11/24)

The Westchester Portfolio Cyber & Professional Liability Policy General Terms and Conditions - PF-59020 (11/24)

Cyber Coverage Section - Table of Contents - PF-59021TOC (11/24)

Cyber Coverage Section - PF-59021 (11/24)

CBI / PD (\$250K) - MS-0000W (05/11)

Amendatory Endorsement – Illinois - PF-59151 (11/24)

Amendatory Endorsement – Illinois - PF-59130 (11/24)

Questions About Your Insurance - ALL-18653d-W (07/14)

Additional Insured – Blanket Pursuant To A Contract - PF-59046 (11/24)

Extortion Threat Enhancement For Protected Information - PF-59066 (11/24)

Cyber Coverage Section Exclusion Deleted Endorsement - PF-59069 (11/24)

Policyholder Notice Cyber Services For Incident Response - PF-59077 (11/24)

Biometric Privacy Claim Expenses And Security Controls Limit Endorsement - PF-59093 (11/24)

Ransomware Encounter Sublimit, Retention, And Coinsurance Endorsement - PF-59123 (11/24)

Contingent Business Interruption Loss And Extra Expenses – Blanket Supply Chain Risks - PF-59601 (04/25)

Cyber Incident Response (Side Car) - PF-59602 (04/25)

Cyber Incident Response Coach Retention Endorsement - PF-59606 (04/25)

CYBER CRIME ENDORSEMENT - PF-59881 (11/24)

Chubb Producer Compensation Practices & Policies - ALL-20887a-W (09/19)

Endorsements (including but not limited to)

Trade or Economic Sanctions Endorsement - ALL-21101-W (09/19)

Illinois Notice to Policyholders Regarding the Religious Freedom Protection and Civil Union Act - ALL-34772-W (11/11)

U.S. Treasury Department's Office Of Foreign Assets Control ("OFAC") Advisory Notice To Policyholders - PF-17914a-W (04/16)

Exclusions (including but not limited to)

Musical Work Or Composition Exclusion Endorsement - PF-59062 (11/24)

Binding Requirements:

Description

Subject To:

- Currently valued loss runs to date prior to bind.
- Previously submitted applications currently signed/dated.

Other Significant Terms and Conditions/Restrictions:

Description

The Policy includes terrorism coverage required by the Federal Terrorism Risk Insurance Program Reauthorization Act. The premium for the coverage is \$0.

Workers' Compensation

Carrier Information	Proposed
Policy Term	12/1/2025 - 12/1/2026
Carrier	Accident Fund Insurance Company of America
A.M. Best Rating	A XV
Admitted/Non-Admitted	Admitted
Payment Plan	10 pay 15% down
Payment Method	Direct Bill

Premium & Exposures	Proposed
Premium	\$888,671.00
WC Commission Surcharge	\$9,687.00
Exposure / TIV	\$62,398,375 - Total Annual Remuneration
TRIA	Included
Minimum Type	None
Estimated Cost	\$898,358.00

Experience Modification Factors
2.2 - IL

States
States Covered: IL
States Excluded: OH, ND, WA, WY
Extraterritorial Jurisdictions: All states and U.S. territories except: monopolistic states, Puerto Rico, the U.S. Virgin Islands, and states designated in Item 3A of the Information Page.

Standard Coverages	Proposed
Coverage A - Workers' Compensation	Statutory
Employers' Liability Limits Bodily Injury by Accident - Each Accident	\$1,000,000
Employers' Liability Limits Bodily Injury by Disease - Each Employee	\$1,000,000
Employers' Liability Limits Bodily Injury by Disease - Policy Limit	\$1,000,000

Deductibles/SIR	Proposed
Deductible - Workers' Compensation	None

Exclusions (including but not limited to)
Owners or Officers
Bodily Injury to an Employee While Employed in Violation of Law
Bodily Injury Intentionally Caused by Insured
Longshore & Harbor Workers' Act
Federal Employers' Liability Act
Assumptions under Contract

Subject to Audit: Annually**Auditable Exposures:**

State	Class Code	Description	Rate per \$100	Renewal Exposure
IL	7380	Drivers, Chauffeurs Messengers, And Their Helpers NOC - Commercial - LOC#1	\$8.9300	\$225,540
IL	8868	College Professional Employees & Clerical - LOC#1	\$0.3500	\$58,262,587
IL	9101	College all Other Employees - LOC#1	\$3.5000	\$3,910,248

Executive Officers/Partners:

Name	Title	Include/Exclude
Jennifer Barton	Director	Included

Binding Requirements:

Description
Subject to:
- Deductible Notice of Election/ Rejection

Other Significant Terms and Conditions/Restrictions:

Description
Premium Includes TRIA Premium of \$13,728.00 & CAT Premium of \$12,480.00

Premium Summary

The estimated program cost for the options are outlined in the following table:

Line of Coverage		Expiring	Proposed
		Houston Casualty Company	Westchester Fire Insurance Company
Cyber Liability	Premium	\$34,574.00	\$12,637.00
	Estimated Cost*	\$34,574.00	\$13,137.00
	Change (\$)	-	(\$21,437.00)
	Change (%)	-	(62.00%)
		Accident Fund Insurance Company of America	Accident Fund Insurance Company of America
Workers' Compensation	Premium	\$684,522.00	\$888,671.00
	Estimated Cost*	\$684,522.00	\$898,358.00
	Change (\$)		
	Change (%)		
			\$62,398,375 - Total Annual Remuneration
Agency Bill Administration Fee			\$100.00
Total Program Cost		\$719,096.00	\$911,595.00

*Estimated Cost includes all taxes, fees, surcharges and TRIA premium (if applicable)

Quote from **Westchester Fire Insurance Company (Chubb Group of Insurance Companies)** is valid until **1/30/2026**

Quote from **Accident Fund Insurance Company of America (Accident Fund Group)** is valid until **12/1/2025**

Gallagher is responsible for the placement of the following lines of coverage:

Cyber Liability

Workers' Compensation

It is understood that any other type of exposure/coverage is either self-insured or placed by another brokerage firm other than Gallagher. If you need help in placing other lines of coverage or covering other types of exposures, please contact your Gallagher representative.

Premiums are due and payable as billed and may be financed, subject to acceptance by an approved finance company. Following acceptance, completion (and signature) of a premium finance agreement with the specified down payment is required. Note: Unless prohibited by law, Gallagher may earn compensation for this optional value-added service.

Where permitted by law, Gallagher may assess a \$100 Agency Bill Administration Fee on all new and renewal policy placements where Gallagher is responsible for collecting client premium and remitting payment to insurance carriers and other third parties. In connection with such billing obligations, Gallagher assumes additional administrative, financial and compliance obligations that introduce significant risks to Gallagher's business. Should you change to direct bill, where available, or premium finance the transaction, you will not incur the Agency Bill Administration Fee.

Premium Financing

Gallagher is pleased to offer Premium Financing for our clients.

What is Premium Financing?

Premium financing is a short-term loan that provides premium payment flexibility. By financing, you have the option to spread out your premium payments instead of paying in full at the time of policy purchase or renewal.

Why Premium Financing May be Good for Your Business?

- May improve **capital and cash flow management** by spreading out premium payments over the policy period.
- Allows for **consolidation of** multiple policies into one premium finance agreement with a single monthly or quarterly payment.
- Provides automated **ACH options and flexible payment** terms.

Want to Learn More?

If you are interested in learning more or obtaining a quote, contact your Client Service Manager.

Payment Plans

<i>Carrier / Payable Carrier</i>	<i>Line Of Coverage</i>	<i>Payment Schedule</i>	<i>Payment Method</i>
Westchester Fire Insurance Company (Chubb Group of Insurance Companies)	Cyber Liability	Annual/Pre-Paid(100%)	Agency Bill
Accident Fund Insurance Company of America (Accident Fund Group)	Workers' Compensation	10 pay 15% down	Direct Bill

Proposal Disclosures

Proposal Disclosures

The following disclosures are hereby made a part of this proposal. Please review these disclosures prior to signing the Client Authorization to Bind or e-mail confirmation.

Proposal Disclaimer

IMPORTANT: The proposal and/or any executive summaries outline certain terms and conditions of the insurance proposed by the insurers, based on the information provided by your company. The insurance policies themselves must be read to fully understand the terms, coverages, exclusions, limitations and/or conditions of the actual policy contract of insurance. Policy forms will be made available upon request. We make no warranties with respect to policy limits or coverage considerations of the carrier.

Compensation Disclosure

1. Gallagher Companies are primarily compensated from the usual and customary commissions, fees or, where permitted, a combination of both, for brokerage and servicing of insurance policies, annuity contracts, guarantee contracts and surety bonds (collectively "insurance coverages") handled for a client's account, which may vary based on market conditions and the insurance product placed for the client.
2. In placing, renewing, consulting on or servicing your insurance coverages, Gallagher companies may participate in contingent and supplemental commission arrangements with intermediaries and insurance companies that provide for additional compensation if certain underwriting, profitability, volume or retention goals are achieved. Such goals are typically based on the total amount of certain insurance coverages placed by Gallagher with the insurance company, not on an individual policy basis. As a result, Gallagher may be considered to have an incentive to place your insurance coverages with a particular insurance company. If you do not wish to have your commercial insurance placement included in consideration for additional compensation, contact your producer or service team for an Opt-out form.
3. Gallagher Companies may receive investment income on fiduciary funds temporarily held by them, or from obtaining or generating premium finance quotes, unless prohibited by law.
4. Gallagher Companies may also access or have an ownership interest in other facilities, including wholesalers, reinsurance intermediaries, captive managers, underwriting managers and others that act as intermediaries for both Gallagher and other brokers in the insurance marketplace some of which may earn and retain customary brokerage commission and fees for their work.

If you have specific questions about any compensation received by Gallagher and its affiliates in relation to your insurance placements, please contact your Gallagher representative for more details.

TRIA/TRIPRA Disclaimer

If this proposal contains options to purchase TRIA/TRIPRA coverage, the proposed TRIA/TRIPRA program may not cover all terrorism losses. While the amendments to TRIA eliminated the distinction between foreign and domestic acts of terrorism, a number of lines of coverage excluded under the amendments passed in 2005 remain excluded including commercial automobile, burglary and theft insurance; surety insurance, farm owners multiple perils and professional liability (although directors and officers liability is specifically included). If such excluded coverages are required, we recommend that you consider purchasing a separate terrorism policy. Please note that a separate terrorism policy for these excluded coverages may be necessary to satisfy loan covenants or other contractual obligations. TRIPRA includes a \$100 billion cap on insurers' aggregate liability.

TRIPRA is set to expire on December 31, 2027. There is no certainty of extension, thus the coverage provided by your insurers may or may not extend beyond December 31, 2027. In the event you have loan covenants or other contractual obligations requiring that TRIA/TRIPRA be maintained throughout the duration of your policy period, we recommend that a separate "Stand Alone" terrorism policy be purchased to satisfy those obligations.

Terms and Conditions

It is important that we clearly outline the nature of our mutual relationship. The following terms and conditions (these “Terms”) govern your relationship with Gallagher unless you have separately entered into a written services agreement with Gallagher relative to the policies and services outlined in this Proposal, in which case that services agreement will govern and control with respect to any conflicts with these Terms. These Terms will become effective upon your execution of the Client Authorization to Bind Coverage (the “CAB”) included in this Proposal and shall survive for the duration of your relationship with Gallagher relative to the policies placed pursuant to the CAB or otherwise at your request.

Services

Gallagher will represent and assist you in all discussions and transactions with insurance companies relating to the lines of insurance coverage set forth in the CAB and any other lines of insurance coverage with which you request Gallagher’s assistance. Gallagher will consult with you regarding any matters involving these or other coverages for which you have engaged Gallagher. You have the sole discretion for approving any insurance policies placed, as well as all other material decisions involving your risk management, risk transfer and/or loss prevention needs.

Although you are responsible for notifying applicable insurance companies directly in connection with any claims, demands, suits, notices of potential claims or any other matters as required by the terms and conditions of your policies, Gallagher will assist you in determining applicable claim reporting requirements.

Gallagher is not required to provide Services to you if Gallagher reasonably considers that to do so would put Gallagher in breach of, or would expose Gallagher or its affiliates to fines, penalties or sanctions under any laws, regulations, professional rules or, in Gallagher’s sole opinion, you have breached a term/the terms of the Policies. In such circumstances, Gallagher will be entitled to terminate its Services with immediate effect. In the event that Gallagher exercises its right to terminate its Services with immediate effect, Gallagher will not be responsible or liable to you for any direct or indirect loss which you or any other party may suffer as a result.

Please be aware that Gallagher is generally restricted from providing broking, claims handling or other services that relate to Cuba and Iran, including due to significant difficulties in processing payments and other commercial and reputational considerations.

Treatment of Information

Gallagher understands the need to protect the confidentiality and security of your confidential and sensitive information and strives to comply with applicable data privacy and security laws. Your confidential and sensitive information will be protected by Gallagher and only used to perform services for you; provided that Gallagher may disclose and transfer your information (including transfers outside the United States in compliance with applicable laws) to our affiliates, agents or vendors that have a need to know such information in connection with the provision of such services (including insurance markets, as necessary, for marketing, quoting, placing and/or servicing insurance coverages). We may also disclose such information as required by applicable data protection laws or the order of any court or tribunal, subject to our providing you with prior notice as permitted by law. The parties agree that confidential information does not include aggregate, anonymized or de-identified data. In addition, we may also utilize your aggregated, anonymized, or de-identified information in connection with benchmarking, risk modeling and other data analytics, service or product improvements, and offerings, and similar business purposes. You further agree we may use your information with artificial intelligence or other automated applications for the purposes of improving or delivering our services to you.

We will (i) implement appropriate administrative, physical and technical safeguards to protect personal information; (ii) timely report security incidents involving personal information to affected parties and/or regulatory bodies; (iii) create and maintain required policies and procedures; and (iv) comply with data subjects’ rights, as applicable. To the extent applicable under associated data protection laws, you are a “business” or “controller” and Gallagher is a “service provider” or “data processor.” You will ensure that any information provided to Gallagher has been provided with any required notices and that you have obtained all required consents, if any and where required, or are otherwise authorized to transfer all information to Gallagher and enable Gallagher to process the information for the purposes described in this Proposal and as set forth in Gallagher’s Privacy Policy located at <https://www.ajg.com/privacy-policy/>. Gallagher may update its Privacy Policy from time to time and any updates will be posted to such site.

Dispute Resolution

Gallagher does not expect that it will ever have a formal dispute with any of its clients. However, in the event that one should arise, we should each strive to achieve a fair, expedient and efficient resolution and we’d like to clearly outline the resolution process.

A. If the parties have a dispute regarding Gallagher’s services or the relationship governed by this Proposal (“Dispute”), each party agrees to resolve that Dispute by mediation. If mediation fails to resolve the Dispute, you and Gallagher agree to binding arbitration. Each party waives all rights to commence litigation in court to resolve a Dispute, and specifically waives all rights to pursue relief by class action or mass action in court or through arbitration. However, the parties do not waive the ability to seek a court order of injunction in aid of the mediation and arbitration required by these Terms.

B. The party asserting a Dispute must provide a written notice (“Notice”) of the claim to the other party and to the American Arbitration Association (“AAA”) in accordance with its Commercial Arbitration Rules and Mediation Procedures. All Dispute resolutions will take place in Chicago, IL, unless you and Gallagher agree to another location. The parties will equally divide all costs of the mediation and arbitration

proceedings and will each pay their own attorneys' fees. All matters will be before a neutral, impartial and disinterested mediator or arbitrator(s) that have at least 20 years' experience in commercial and insurance coverage disputes.

C. Mediation will occur within sixty (60) days of filing the Notice with the AAA. Mediation results will be reduced to a memorandum of understanding signed by you, Gallagher and the mediator. A Dispute that is not resolved in mediation will commence to binding arbitration. For Disputes in excess of \$500,000, either party may elect to have the Dispute heard by a panel of three (3) arbitrators. The award of the arbitrator(s) must be accompanied by a reasoned opinion prepared and signed by the arbitrator(s). Except as may be required by law, neither you, Gallagher, nor a mediator or arbitrator may disclose the existence, content or results of any Dispute or its dispute resolution proceeding without the prior written consent of both you and Gallagher.

Electronic Delivery

In lieu of receiving documents in paper format, you agree, to the fullest extent permitted by law, to accept electronic delivery of any documents that Gallagher may be required to deliver to you (including, but not limited to, insurance policies and endorsements, account statements and all other agreements, forms and communications) in connection with services provided by Gallagher. Electronic delivery of a document to you may be made via electronic mail or by other electronic means, including posting documents to a secure website.

Miscellaneous Terms

Gallagher is engaged to perform services as an independent contractor and not as your employee or agent, and Gallagher will not be operating in a fiduciary capacity.

Where applicable, insurance coverage placements and other services may require the payment of federal excise taxes, surplus lines taxes, stamping or other fees to the Internal Revenue Service, various State(s) departments of revenue, state regulators, boards or associations. In such cases, you will be responsible for the payment of the taxes and/or fees, which Gallagher will separately identify on related invoices.

The Proposal and these Terms are governed by the laws of the State of Illinois, without regard to its conflict of law rules.

If an arbitrator/court of competent jurisdiction determines that any provision of these Terms is void or unenforceable, that provision will be severed, and the arbitrator/court will replace it with a valid and enforceable provision that most closely approximates the original intent, and the remainder of these Terms will remain in effect.

Except to the extent in conflict with a services agreement that you may enter into with Gallagher, these Terms and the remainder of the Proposal constitute the entire agreement between you and Gallagher with respect to the subject matter of the Proposal, and supersede all prior negotiations, agreements and understandings as to such matters.

Client Signature Requirements

Coverages for Consideration

Overview

Gallagher recommends that you consider purchasing the following additional coverages for which you have exposure. A Proposal for any of the coverages below can be provided.

- Increased Limits

Please note the recommendations and considerations summarized in this section are not intended to identify all potential exposures. Gallagher is not an expert in all aspects of your business and assumes no responsibility to independently investigate the risks your business faces. Gallagher has relied upon the information you provided in making our insurance Proposals. If you are interested in pursuing additional coverages other than those listed above, please list the additional coverages in the Client Authorization to Bind.

Client Authorization to Bind Coverage

After careful consideration of Gallagher's proposal dated 11/14/2025, we accept the following coverage(s). Please check the desired coverage(s) and note any coverage amendments below:

	Coverage/Carrier
<input type="checkbox"/> Accept <input type="checkbox"/> Reject	Cyber Liability Westchester Fire Insurance Company
<input type="checkbox"/> Accept <input type="checkbox"/> Reject	TRIA - Cyber Liability
<input type="checkbox"/> Accept <input type="checkbox"/> Reject	Workers' Compensation Accident Fund Insurance Company of America
Included*	TRIA - Workers' Compensation

*For this coverage, TRIA cannot be rejected

Additional Recommended Coverages

Gallagher recommends that you purchase the following additional coverages for which you have exposure. By checking the box(es) below, you are requesting that Gallagher provide you with a Proposal for this coverage. By not requesting a Proposal for this coverage, you assume the risk of any uncovered loss.

Umbrella

☐ Increased Limits

Coverage Amendments and Notes:

Fee Breakdown:

Agency Bill Administration Fee: \$100

By signing below, you are acknowledging that the fee listed above is fully earned and is NOT refundable. The fee is due and payable within thirty (30) days of your execution below. Any placements that require the payment of additional state or federal taxes and/or fees are the client's responsibility.

You further acknowledge and agree that the Proposal, this Client Authorization to Bind Coverage (including this agreement concerning the above referenced fee) reflect your understanding of the services to be provided by Gallagher as they have been discussed with and fully disclosed to you, and the above fee is consistent with your understanding. Any disputes arising out of the Proposal, this Client Authorization to Bind Coverage and/or the performance of services by Gallagher shall be governed by the laws of the State of Illinois.

Exposures and Values

You confirm the payroll, values, schedules, and any other information pertaining to your operations, and submitted to the underwriters, were compiled from information provided by you. If no updates were provided to Gallagher, the values, exposures and operations used were based on the expiring policies. You acknowledge it is your responsibility to notify Gallagher of any material change in your operations or exposures.

Additional Terms and Disclosures

Gallagher is not an expert in all aspects of your business. Gallagher's Proposals for insurance are based upon the information concerning your business that was provided to Gallagher by you. Gallagher expects the information you provide is true, correct

and complete in all material respects. Gallagher assumes no responsibility to independently investigate the risks that may be facing your business, but rather have relied upon the information you provide to Gallagher in making our insurance Proposals.

Gallagher's liability to you arising from any of Gallagher's acts or omissions will not exceed \$20 million in the aggregate. The parties each will only be liable for actual damages incurred by the other party, and will not be liable for any indirect, special, exemplary, consequential, reliance or punitive damages. No claim or cause of action, regardless of form (tort, contract, statutory, or otherwise), arising out of, relating to or in any way connected with the Proposal, any of Gallagher's services or your relationship with Gallagher may be brought by either party any later than two (2) years after the accrual of the claim or cause of action.

Gallagher has established security controls to protect Client confidential information from unauthorized use or disclosure. For additional information, please review Gallagher's Privacy Policy located at <https://www.ajg.com/privacy-policy/>.

You have read, understand and agree that the information contained in the Proposal and all documents attached to and incorporated into the Proposal, is correct and has been disclosed to you prior to authorizing Gallagher to bind coverage and/or provide services to you. By signing below, or authorizing Gallagher to bind your insurance coverage through email when allowed, you acknowledge you have reviewed and agree with terms, conditions and disclosures contained in the Proposal.

By:

Print Name (Specify Title)

Company

Signature

Date:

Appendix

Compensation Disclosure Schedule

Client Name: Rock Island Milan School District #41

Coverage	Carrier Name(s)	Wholesaler, MGA, or Intermediary Name ¹	Est. Annual Premium ²	Gallagher U.S. Owned Wholesaler, MGA, or Intermediary % and/or Fee %
Cyber Liability	Westchester Fire Insurance Company (Chubb Group of Insurance Companies)	Risk Placement Services	\$12,637.00	7.5 % + \$500.00
Cyber Liability	Houston Casualty Company (Tokio Marine Holdings, Inc.)	Risk Placement Services	\$32,962.00	\$12.50
Workers' Compensation	Accident Fund Insurance Company of America (Accident Fund Group)	N/A	\$888,671.00	
Workers' Compensation	Zenith Insurance Company (Zenith Insurance Company)	N/A	\$1,000,000.00*	
Workers' Compensation	Berkshire Hathaway Insurance Group (Berkshire Hathaway Insurance Group)	N/A	\$950,685.00*	

¹ We were able to obtain more advantageous terms and conditions for you through an intermediary/ wholesaler.

² If the premium is shown as an indication: The premium indicated is an estimate provided by the market. The actual premium and acceptance of the coverage requested will be determined by the market after a thorough review of the completed application.

* A verbal quotation was received from this carrier. We are awaiting a quotation in writing.

Note: When placing business with insurance companies, Gallagher Companies receive commission based on negotiated contractual terms with those carriers. The commission rate is a percentage of the premium excluding taxes and fees. Major lines of coverage, and their typical range of commissions are listed below. If you wish to receive more details on actual compensation paid to Gallagher Companies, please contact your Gallagher representative.

- **Accident & Health:** 15-25%
- **Aviation:** 14-15%
- **Contract Bonds:** 20-30%
- **All Other Bonds/Surety:** 30-35%
- **Builders Risk:** 15-18%
- **Property:** 15-22%
- **Inland Marine:** 20-22.5%
- **Ocean Marine:** 15-17.5%
- **Casualty:** 14-15%
- **Commercial Auto:** 12.5-15%
- **Package / Business Owners Package:** 15-16.8%
- **Workers Compensation:** 8-11%
- **All Other Commercial:** 10-20%
- **Executive/Professional Lines:** 15-17.5%
- **Medical Malpractice:** 10-12%

Compensation to Gallagher may also be disclosed in a Client Services Agreement or Consulting Services Agreement.



Binding Requirements

<i>Coverage (Issuing Carrier)</i>	<i>Binding Requirements</i>
Cyber Liability Westchester Fire Insurance Company	Subject To: - Currently valued loss runs to date prior to bind. - Previously submitted applications currently signed/dated.
Workers' Compensation Accident Fund Insurance Company of America	Subject to: - Deductible Notice of Election/ Rejection

Claims Reporting By Policy

Immediately report all claims. Each insurer requires notice of certain types of claims depending on the potential exposure or particular injury types. It is important to thoroughly review your policy to ensure you are reporting particular incidents and claims, based upon the insurer's policy requirements.

If you are using a third party administrator ("TPA"), your TPA may or may not report claims to an insurer on your behalf. Although we will assist you where requested, it is important that you understand whether your TPA will be completing this notification.

Reporting Direct to Carrier [Only When Applicable]

Coverage(s): <i>Workers' Compensation</i>	Report To:
Insurer: Accident Fund Insurance Company of America	Insurer/TPA Name: Accident Fund Insurance Company of America
Policy Period: 12/01/2025 - 12/01/2026	Phone: 866-206-5851
	Email: claimsespress@accidentfund.com

Coverage(s): <i>Cyber Liability</i>	Report To:
Insurer: Westchester Fire Insurance Company	Insurer/TPA Name: Westchester Fire Insurance Company
Policy Period: 12/01/2025 - 12/01/2026	Phone: CHUBB Policy: 800-252-4670
	ACE Policy: 1-800-433-0385
	Fax: Chubb: 1-800-300-2538
	ACE: 1-877-395-0131
	Email: acecrs-claims@chubb.com
	Web: https://www.chubb.com/us-en/claims/commercial-claims.aspx

Coverage(s): <i>Cyber Liability</i>	Report To:
Insurer: Houston Casualty Company	Insurer/TPA Name: Houston Casualty Company
Policy Period : 1/1/2026 - 1/1/207	Phone: 1-800-742-2210
	Email: submitclaims@tmhcc.com
	Web: https://www.tmhcc.com/en-us/groups/cyber-and-professional-lines-group/cyber-and-professional-lines-claims

Reporting to Gallagher or Assistance in Reporting

Coverage(s):	Report To:
Gallagher Claim Center	Phone: 855-497-0578
	Fax: 225-663-3224
	Email: ggb.nrcclaimscenter@ajg.com

Gallagher STEP



STEP



Reduce Your Risk and Simplify Training

Safety training programs and educational materials for employees are critical for reducing accidents, increasing retention, and minimizing your total cost of risk now and in the future.

Gallagher Safety Training Education Platform (STEP) is our proprietary learning management system (LMS) that supports your safety program, provides real-time access to your loss control plans and keeps employees up to date with the latest safety standards.

Key Benefits of Gallagher STEP

- **Register** for up to 10 complimentary modules every year from a library of over 100 training and safety shorts. In addition, monthly bulletins are available, covering topics such as general and environmental safety, human resources, and health and wellness.
- **Save** valuable time by assigning employee training and monitoring their latest progress and completion.
- **Simplify** the process of training to stay in compliance and avoid costly penalties.
- **Onboard and train** an unlimited number of users while enhancing your overall risk control program.
- **Customize** your platform with your company's logo, training content and modules tailored to your business, and personalized procedures and forms for an added fee.

Please visit ajg.com/us/gallagher-step/ to learn more.

Most Popular Training Modules

- Sexual Harassment and Discrimination
- Slip, Trip and Fall Training
- Electrical Safety Training
- Back Safety Training
- Bloodborne Pathogens
- Safe Lifting Practices
- Defensive Driving Basics
- Fire Prevention Basics
- Personal Protective Equipment
- GHS Hazard Communication



Gallagher CORE360® is our unique, comprehensive approach of evaluating your risk management program that leverages our analytical tools and diverse resources for custom, maximum impact on six cost drivers of your total cost of risk.

Sample of Available Training Modules and Safety Shorts

Human Resources Training

- Americans with Disabilities Act (ADA)
- California Ethics
- California Sexual Harassment & Discrimination—Employees (English and Spanish)
- California Sexual Harassment and Discrimination—Supervisors (English and Spanish)
- Connecticut Sexual Harassment Prevention and Response
- Diversity
- Drug-Free Workplace—Supervisor
- Ethics in Action
- Fair and Accurate Credit Transaction Act (FACTA)
- Family Medical Leave Act (FMLA)
- Interviewing Strategies
- Job Applications
- Maine Sexual Harassment Prevention and Response
- Personnel Files
- Sensitivity Basics: Creating Positive Working Relationships
- Sexual Harassment and Discrimination—Employees
- Sexual Harassment and Discrimination—Supervisors
- New York City Sexual Harassment and Discrimination—Employees (English and Spanish)
- New York City Sexual Harassment and Discrimination—Supervisors (English and Spanish)
- New York State Sexual Harassment and Discrimination—Employees (English and Spanish)
- New York State Sexual Harassment and Discrimination—Supervisors (English and Spanish)
- Smart Hiring
- Smart Risk Management—Core Principles
- Theft
- Unsafe Acts
- Violence Prevention
- Workers Compensation Essentials
- Workplace Investigations Basics
- Wrongful Termination

Safety Training

- Accident Investigation Techniques
- Asbestos Awareness (General Industry)
- Basic Conveyor Safety
- Bloodborne Pathogens (English and Spanish)
- Creating a Safe Holiday Celebration
- Common Fire and Life Safety Hazards
- Continuity of Operations Planning
- Defensive Driving—Accident Scene Management
- Defensive Driving—Backing Safely, R is for Reverse
- Defensive Driving Basics—Part I (English and Spanish)
- Defensive Driving—Changing Lanes Safely
- Defensive Driving—Driving Safely in School Zones
- Defensive Driving—General Auto Risk Management
- Defensive Driving—Intersections
- Defensive Driving—Reducing Deer-Related Incidents
- Defensive Driving—Safe Following Distance
- Defensive Driving—Spring Weather Conditions
- Defensive Driving—Winter Weather Conditions
- Determining the Root Cause of Accidents
- Disaster Planning 101
- Electrical Safety (English and Spanish)
- Ladder Safety
- Employee and Family Disaster Planning
- Evacuation Planning and Procedures
- Fire Prevention Practices (English and Spanish)
- Forklift Safety Basics for General Industry
- Hazard Communication (English and Spanish)
- Hearing Protection
- Housekeeping—Custodial, Safe Housekeeping Practices
- Identifying Strain and Exertion Exposures (English and Spanish)
- Lead-Based Paint
- Lockdown Procedures
- Lockout/Tagout (English and Spanish)
- Machine Guarding (English and Spanish)
- Means of Egress (English and Spanish)
- Mold
- Office Ergonomics Defined
- Office Ergonomics—Working in Comfort
- Office Workstation Safety
- Office Workstation Safety for Supervisors
- Personal Protective Equipment (English and Spanish)
- Portable Fire Extinguishers I
- Portable Fire Extinguishers II
- Power Tool Safety
- Preparation for Physical Activity
- Preventing Back Injuries (English and Spanish)
- Preventing Slips, Trips and Falls (English and Spanish)
- Preventing Injuries When Lifting, Moving and Transferring Residents
- Safety Pays for Life
- Temp Staffing Services. Employee Safety Orientation (English and Spanish)

Safety Shorts

Two safety shorts are considered one module selection.

- Bloodborne Pathogens
- Electrical Safety
- Emergency Procedures
- Fire Prevention and Protection
- Hand and Power Tools
- Hazard Communication
- Housekeeping/Custodial—Before You Start
- Housekeeping/Custodial—Cleaning by Hand
- Housekeeping/Custodial—Emptying Trash
- Housekeeping/Custodial—Mopping and Emptying Buckets
- Housekeeping/Custodial—Preventing Slips, Trips and Falls
- Housekeeping—General
- Ladder Safety
- Lockout/Tagout
- Personal Protective Equipment
- Safe Lifting Practices
- Slip, Trip and Fall

The Gallagher Way.
Since 1927.

Please visit ajg.com/us/gallagher-step/ to learn more.

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Overview and Login Information

The Gallagher eRiskHub® portal provides you with exclusive risk management tools and best practices to improve your organization's cyber risk posture. This important resource serves your cyber risk management strategies by enhancing your capabilities in cyberattack prevention, loss mitigation and cyber risk transfer techniques.

To access the Gallagher eRiskHub® now:

1. Navigate to <https://eriskhub.com/gallagher>
2. Complete the new user registration at the bottom of the page. Choose your own user ID and password. The access code is **447597**.
3. After registering, you can access the hub immediately using your newly created credentials in the member login box located at the top right of the page.

If you have any questions about the Gallagher eRiskHub®, please reach out the eRiskHub® support staff at support@eriskhub.com

Key Features of the Gallagher eRiskHub®

- **Risk Manager Tools**—A collection of tools for risk managers including research of known breach events, information to calculate the potential cost of a breach event, sample policies, breach response planning and more.
- **Learning Center**—An extensive collection of thought leadership articles, webinars, videos and blog posts covering everything from emerging cyber threats to data protection and more.
- **Security and Privacy Training**—Resources for creating an effective security training program for your employees.
- **Strategic Third-Party Relationships and Partner Resources**—Information on third-party vendors that can assist your organization improve your overall cyber risk, as well as access to exclusive Gallagher discounts on tools.

Gallagher's Cyber Capabilities

Gallagher's Cyber practice has the expertise to deliver a full complement of cyber risk management and insurance services to help your team stay protected. We take a consultative, action-based approach to address the sophisticated and evolving nature of cyber liability to design custom solutions that meet your unique needs. For more information, please contact us.



Insurance | Risk Management | Consulting

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The information contained herein is offered as insurance industry guidance and provided as an overview of current market risks and available coverages and is intended for discussion purposes only. This publication is not intended to offer legal advice or client-specific risk management advice. Any description of insurance coverages is not meant to interpret specific coverages that your company may already have in place or that may be generally available. General insurance descriptions contained herein do not include complete Insurance policy definitions, terms, and/or conditions, and should not be relied on for coverage interpretation. Actual insurance policies must always be consulted for full coverage details and analysis.

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Insurance | Risk Management | Consulting



Benefits and HR Consulting to Support Diverse Workforces and Organizational Wellbeing

Your organization's success is powered by your people. When you partner with Gallagher's Benefits & HR Consulting team, we deliver a comprehensive approach to benefits, compensation, retirement, and employee communication that aligns your people strategy with your overall business goals. Let our consultants help you build a workplace that works better, so you can face the future with confidence.

Gain strategic insights through:

Gallagher Better WorksSM Insights

Expand your perspective on trending HR and benefits topics.

Workforce Trends Report Series

Access benchmarking data and insights from thousands of employers.

Best-In-Class Benchmarking Analysis

Find out how best-of-the-best employers build a better workplace.

Access innovative resources at your fingertips.

We provide the tools and experience to deliver actionable insights to your organization.

- Compliance resources
- HR and benefits technology trends
- Workforce evaluation
- Organizational wellbeing polls
- Data warehousing and insights
- Industry-specific resources

Health & Benefits

- Compliance Consulting
- Employee Benefits Consulting
- Pharmacy Benefit Management Consulting
- Small Business Consulting
- Voluntary Benefits Consulting

Financial & Retirement Services

- Executive Life & Benefits
- Investment Consulting
- Retirement Plan Consulting

Human Resources & Compensation

- Communication Consulting
- Compensation and Rewards Consulting
- Data & Research
- Human Resources Consulting
- HR Technology Consulting
- Multinational Benefits & HR Consulting
- Executive Search & Leadership Advisors

FACTS AND FIGURES*

7,500+

Benefits & HR Consulting employees worldwide

300+

Benefits & HR Consulting offices worldwide

90+

Countries with client Benefits & HR Consulting capabilities

Specialized experience in:

- Energy
- Equity M&A
- Healthcare
- Hospitality and Restaurant
- Nonprofit
- Public Sector and K-12 Education
- Religious

*Gallagher Benefit Services, Inc.

Gallagher Better Works™ Builds a Better Workplace

Gallagher Better Works™ is a holistic approach to attracting, engaging, and retaining the talent you need to help your organization grow. We work with you to develop benefits and HR programs at the right cost to optimize your annual talent investment, mitigate organizational risk, and build a wellbeing-centric culture that allows your people to thrive. Best of all, you'll be able to face the future with confidence, having gained a competitive advantage from a workplace that simply works better.

Physical & Emotional Wellbeing Solutions

- Legislative compliance guidance
- Employee health plan design and total rewards
- Pharmacy benefit plan design, RFP, and cost optimization
- Voluntary benefit plan design, employee education, and enrollment solutions
- Small business and emerging markets benefits and compensation

Career Wellbeing Solutions

- Internal employee experience communications
- Total rewards consulting
- Internal employee surveys and external stakeholder research
- Human resources policy, management, and strategy
- HR technology strategy, sourcing, implementation, and optimization
- Global benefits and HR strategy, and duty of care
- Talent search, organizational strategy, and leadership development

Financial Wellbeing Solutions

- Executive planning strategies for attracting, retaining, and rewarding key talent
- Fiduciary and institutional investment consulting to optimize plan assets for improved retirement outcomes
- Retirement plan design, fiduciary compliance, employee financial wellbeing education, coaching, and planning

Organizational Wellbeing Outcomes

- Unique workplace culture
- Improved employee retention
- Robust recruiting efforts
- Reduced organizational risk
- Enhanced employee experience



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Business Continuity and Resilience

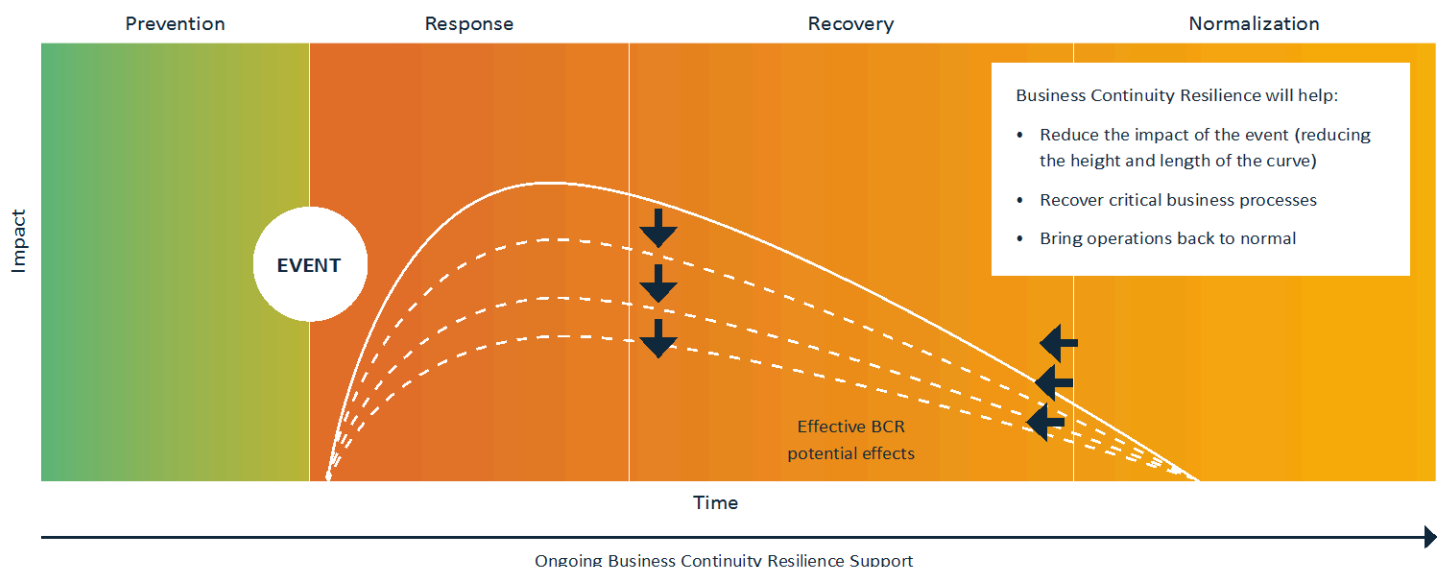
Organizations today must navigate an ever-changing business landscape and be prepared to respond to an increasing range of threats, such as:

- Supply Chain Disruptions
- Cyber Attacks
- Employee Misconduct
- Changing Regulatory Requirements
- Climate Change
- Geo-Political Unrest
- Digitization

Any of these risks could quickly escalate into a crisis and threaten your business. Without adequate planning and preparation, even a seemingly minor incident has the potential to escalate, and impact operations, brand reputation and financial results.

In light of the current market volatility and range of challenges, insurance companies are increasingly requiring organizations to have a Business Continuity Plan in place to demonstrate their resilience and readiness to respond and recover critical business operations. Resiliency planning will ensure you can identify, assess and manage risks and vulnerabilities of any kind, being more prepared to reduce the impact of an event. Having a plan in place builds confidence among key stakeholders such as employees, regulators, customers, investors, insurers and the public.

As a trusted partner and advisor, Gallagher's Business Continuity and Resilience Practice works with organizations in virtually every industry vertical. We offer tailor made solutions to assess your level of business resilience, develop custom plans for improvement, and then embed them into the organization through training programs. Additionally, we offer a free Resilience Ready assessment that enables you to assess your business's resilience score and pinpoint potential areas for future improvement.



Gallagher Offers A Variety Of Business Continuity And Resilience Service Offerings

Business Continuity

“All Hazard” business continuity plans reduce the operational impact of an incident by directly targeting the recovery of an organization’s value drivers — business processes that directly drive revenue and reputation. This enables an organization to recover more efficiently and effectively following a major business disruption or crisis. No matter the extent of your resources and infrastructure for business continuity, we are here to support your organization by offering planning guidance and training tailored to your specific needs.

Crisis Management

Crisis management plans prevent or mitigate risks to people, brands, reputations, and financial results and provide the overarching framework for all response and recovery activities within the organization.

Crisis Communications

Crisis communication plans communicate promptly, accurately, and confidently to all stakeholders during an incident or actual crisis and enable businesses to better coordinate internal and external global communications with media, employees, regulators, customers, investors, and the public at large.

Supply Chain

Supply chain risk management plans help assess and manage third-party risks and vulnerabilities to ensure that products and services continue to be delivered both during and following major disruptions.

Leaders Where It Counts

Gallagher was founded on a culture of service and a common interest doing what’s in our clients’ best interest. We understand the importance of leading with value-based decisions and exemplifying an overall commitment to integrity.

Empower Your Business with Gallagher Go



Insurance | Risk Management | Consulting

Gallagher Go was designed with our clients in mind.

Experience the convenience of the Gallagher Go Client Portal, where you can effortlessly access your insurance coverages, initiate service requests, manage certificates and explore a wealth of resources to manage your risk. Whether you're at the office or on the go, Gallagher Go is available 24/7, ensuring you have everything you need at your fingertips with just a click.

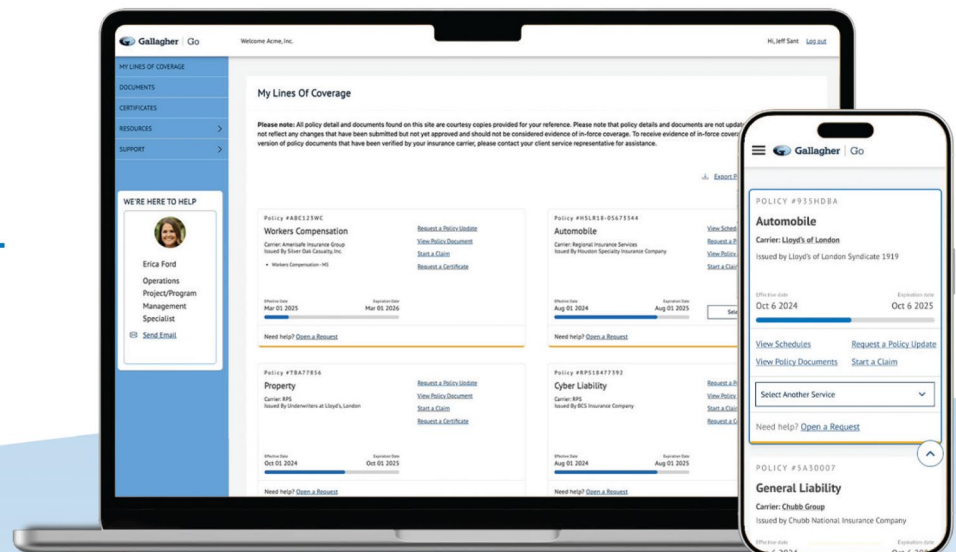
With Gallagher Go, gain access to:

- **Simplified access:** One home for your Gallagher digital tools and resources
- **24/7 availability:** Anytime, anywhere — from a computer, phone or tablet
- **Streamlined support:** Submit requests securely and instantly to your Gallagher team

A centralized home for your risk management needs, from services to insight:

- View your policies and coverage details
- Retrieve and share documents
- Manage certificates
- Submit service requests
- Access Gallagher Drive® reports

Get in touch with a Gallagher representative to learn more.



AJG.com The Gallagher Way. Since 1927.

The information contained herein is offered as insurance industry guidance and provided as an overview of current market risks and available coverages and is intended for discussion purposes only. This publication is not intended to offer financial, tax, legal or client-specific insurance or risk management advice. General insurance descriptions contained herein do not include complete Insurance policy definitions, terms, and/or conditions, and should not be relied on for coverage interpretation. Actual insurance policies must always be consulted for full coverage details and analysis. Insurance brokerage and related services provided by Arthur J. Gallagher Risk Management Services, LLC License Nos. IL 100292093 / CA 0D69293
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Contractual Risk Compliance



Insurance | Risk Management | Consulting

Mitigate contractual risk with confidence

There is more to managing compliance than just collecting your third-party vendors' certificates. **Gallagher Verify**SM ensures you are tracking all the information you need to keep your company organized, compliant and properly protected. Take advantage of our intelligent technology and experienced compliance experts to gain insight into your level of risk, giving you the freedom to focus on your day-to-day operations.



Verified Testimonial

Gallagher Verify monitors expiration dates, insurance limits and other details across thousands of COIs. In addition, their team delivers a very consultative, custom approach, which has allowed us to significantly improve our overall risk exposure.

Protect your business from unknown risk

A majority of organizations face unknown risk. In fact, research shows that most organizations average only 20% compliance for vendor insurance. Gallagher Verify limits your unknown risk and significantly improves compliance. Most companies that use Gallagher Verify average over 80% compliance.*

Track more than just certificates of insurance (COIs)

Our cloud software has the capability to track and verify compliance for any type of document your business is required to keep on file. These documents can include but are not limited to:

W-9 forms	OSHA mod rates	Background checks
MVRs	Contracts	Certifications and licenses

Gallagher Verify brings big benefits to your business

- Increased profitability due to reduced internal administrative costs
- Insurance consulting with a risk advisor
- Reports and dashboards to manage compliance trends
- Ongoing monitoring of A.M. Best insurance carrier ratings and vendor compliance with A.M. Best ratings
- Easy-to-use cloud software used to track and record incoming COIs
- Proactive compliance calls to vendors
- Industry-specific software configurations

*Tier 2 model.



Learn More About CORE360®

Gallagher Verify is part of Gallagher CORE360, our unique, comprehensive approach to evaluating your risk management program that leverages our analytical tools and diverse resources for custom, maximum impact on six cost drivers of your total cost of risk.

We consult with you to understand your **contractual liability**, and how to mitigate risks and associated costs.

This will empower you to know, control and minimize your total cost of risk, and improve your profitability.

Tiers of service tailored to the needs of your organization

	Tier 1	Tier 2
Gallagher Verify cloud software	✓	✓
Dedicated implementation project managers (includes data entry and software configuration)	✓	✓
Automated COI endorsement and document compliance verification	✓	✓
Automated noncompliance and renewal notifications to vendors	✓	✓
Client access to software support	✓	✓
Customizable daily, weekly and monthly reports, and historical compliance dashboard widgets	✓	✓
Risk management consulting for clients (insurance requirement exception guidance)		✓
Outgoing vendor compliance enforcement and educational phone calls (up to four phone calls per certificate of insurance)		✓
Weekly or monthly client stewardship calls with a risk advisor		✓
Unlimited phone support for vendors with insurance and contract-related questions		✓

Verified Testimonial

When we initially implemented Gallagher Verify, our third-party insurance compliance was less than 20%. Today, compliance is more than 90%. The aggressive tracking of insurance requirements and vendor compliance mitigates financial exposure, should there be a claim.

The Gallagher Way.
Since 1927.

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The information contained herein is offered as insurance industry guidance and provided as an overview of current market risks and available coverages and is intended for discussion purposes only. This publication is not intended to offer legal advice or client-specific risk management advice. Any description of insurance coverages is not meant to interpret specific coverages that your company may already have in place or that may be generally available. General insurance descriptions contained herein do not include complete insurance policy definitions, terms, and/or conditions, and should not be relied on for coverage interpretation. Actual insurance policies must always be consulted for full coverage details and analysis.

Insurance brokerage and related services provided by Arthur J. Gallagher Risk Management Services, LLC. (License Nos. 100292093 and/or 0D69293).

Appended Documents



11/03/2025

Emma Bartz
RISK PLACEMENT SERVICES INC
525 WEST VAN BUREN ST
SUITE 1325
CHICAGO, IL, 60607

Organization:	Rock Island Milan School District #41
Principal Address:	2000 7th Avenue
	Rock Island, IL, 61201
Product:	The Westchester Portfolio Cyber & Professional Liability Policy
Type of Submission:	New
Quote #	Q97118Q2025QU
Insurer:	Westchester Fire Insurance Company (Admitted)
Effective Date:	12/01/2025
Expiration Date:	12/01/2026

Dear Emma Bartz,

I am pleased to offer the attached quotation for **Rock Island Milan School District #41**. The commission payable for placement of this business is **20.00%**.

Thank you for considering Westchester as your market of choice. We look forward to working with you. Should you have any questions, please do not hesitate to contact me.

Sincerely,

Ethan Kornacki
ethan.kornacki@westchester.com

Organization: Rock Island Milan School District #41

The Insurer hereby indicates the coverage described below. However, any obligations the Insurer may have under this quotation are conditioned upon each of the following conditions having first been met:

1. The Organization has submitted to the Insurer the following documents, and the Insurer has received and accepted such documents no later than close of business **Prior to Bind**:
 - Currently valued loss runs to date prior to bind.
 - Previously submitted applications currently signed/dated.
2. If coverage is subsequently bound by the Insurer, the Organization has remitted the premium specified below to the Insurer so that the Insurer receives the premium no later than close of business on the 30th day from the date of the Binder or the Effective Date of this policy, whichever is later.

Option 1

Cyber Coverage Sections			
Maximum Coverage Section Limit of Liability			\$1,000,000
Insuring Agreement(s) Purchased, and their respective Retention, Waiting Period , Coinsurance, Limit of Liability and Period of Restoration are shown below. If any Limit of Liability field for an Insuring Agreement is left blank or NOT COVERED is shown, there is no coverage for such Insuring Agreement.			
Core Coverages for Limited Impact Events			
Insuring Agreements	Retention	Coinsurance	Limit of Liability per Policy Period
	Waiting Period		Period of Restoration
A. Cyber Incident Response Fund	\$15,000	0%	\$1,000,000
1. Cyber Incident Response Team	\$15,000	0%	\$1,000,000
2. Non-Panel Response Provider	\$15,000	0%	\$500,000
NOTE: The Insured is under no obligation to use or contract for services with the Cyber Incident Response Team . However, if the Insured elects not to use or contract with the Cyber Incident Response Team but elects to use or contract with a Non-Panel Response Provider , then the Non-Panel Response Provider Limit of Liability for Cyber Incidents specified above will apply.			
B1. Business Interruption Loss and Extra Expenses	\$15,000	0%	\$1,000,000
	6 hours		180 days
Preventative Shutdown	\$15,000	0%	\$1,000,000
	6 hours		180 days
Non-Malicious Computer Act	\$15,000	0%	\$1,000,000
	6 hours		180 days
B2. Contingent Business Interruption Loss and Extra Expenses	15,000	0%	\$1,000,000
	6 hours		180 days
Preventative Shutdown	\$15,000	0%	\$1,000,000
	6 hours		180 days

Non-Malicious Computer Act	\$15,000	0%	\$1,000,000
	6 hours		180 days
B3. Reputational Event	\$15,000	0%	\$1,000,000
			180 days
C. Digital Data Recovery	\$15,000	0%	\$1,000,000
Hardware Replacement Costs	\$15,000	0%	\$1,000,000
Betterment Costs	\$15,000	0%	\$100,000
Invoice Fraud Financial Loss	\$15,000	0%	\$250,000
D. Network Extortion	\$15,000	0%	\$1,000,000
E. Cyber, Privacy and Network Security Liability	\$15,000	0%	\$1,000,000
Regulatory Proceedings	\$15,000	0%	\$1,000,000
Payment Card Loss	\$15,000	0%	\$1,000,000
F. Electronic, Social And Printed Media Liability	\$15,000	0%	\$1,000,000
T. Technology Errors And Omissions Liability	N/A	N/A	N/A

Sub-Limited Coverage Extensions for Widespread Events

Type of Widespread Event	Retention	Coinsurance	Limit of Liability per Policy Period
Widespread Severe Known Vulnerability Exploit	\$15,000	0%	\$1,000,000
Widespread Software Supply Chain Exploit	\$15,000	0%	\$1,000,000
Widespread Severe Zero Day Exploit	\$15,000	0%	\$1,000,000
All Other Widespread Events	\$15,000	0%	\$1,000,000

Retroactive and Pending or Prior Proceeding Dates

Third Party Liability Insuring Agreement	Retroactive Date	Pending or Prior Proceedings Date
E. Cyber, Privacy, and Network Security Liability	Full Prior Acts	12/01/2025
F. Electronic, Social And Printed Media Liability	Full Prior Acts	12/01/2025
T Technology Errors And Omissions Liability	N/A	N/A

Item 5. Extended Reporting Period	A. Additional Premium:	100% of Annual Premium
	B. Additional Period:	12 Months

Coverage is provided only if an amount is shown opposite an Insuring Clause. If the amount is left blank or "Not Purchased" is inserted, such Insuring Clause is not included in this Quote option.

Total Policy Premium for Option 1:	\$12,637
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Your office is responsible for making State Surplus Lines Filings and complying with all applicable laws.

PLEASE NOTE THE FOLLOWING: The Policy includes terrorism coverage required by the Federal Terrorism Risk Insurance Program Reauthorization Act. The premium for the coverage is \$0.

Billing Option: Agency: Annual/Pre-Paid(100%)

Extended Reporting Period:

One (1) year: 100 % of the annual premium

Policy Forms and Endorsements:

Coverage Section	Form Number	Form Title	Additional Information (if applicable)
GTC	CC-1K11K-W (10/24)	Signatures	
GTC	PF-59020TOC (11/24)	The Westchester Portfolio Cyber & Professional Liability Policy General Terms and Conditions - Table of Contents	
GTC	PF-59020 (11/24)	The Westchester Portfolio Cyber & Professional Liability Policy General Terms and Conditions	

Cyber	PF-59021TOC (11/24)	Cyber Coverage Section - Table of Contents	
Cyber	PF-59021 (11/24)	Cyber Coverage Section	
GTC	MS-0000W (05/11)	CBI / PD (\$250K)	See endorsement copy
GTC	PF-59151 (11/24)	Amendatory Endorsement - Illinois	
Cyber	PF-59130 (11/24)	Amendatory Endorsement - Illinois	
GTC	ALL-18653d-W (07/14)	Questions About Your Insurance	
Cyber	PF-59046 (11/24)	Additional Insured - Blanket Pursuant To A Contract	
Cyber	PF-59062 (11/24)	Musical Work Or Composition Exclusion Endorsement	
Cyber	PF-59066 (11/24)	Extortion Threat Enhancement For Protected Information	
Cyber	PF-59069 (11/24)	Cyber Coverage Section Exclusion Deleted Endorsement	Wrongful Collection Exclusion
Cyber	PF-59077 (11/24)	Policyholder Notice Cyber Services For Incident Response	
Cyber	PF-59093 (11/24)	Biometric Privacy Claim Expenses And Security Controls Limit Endorsement	
Cyber	PF-59123 (11/24)	Ransomware Encounter Sublimit, Retention, And Coinsurance Endorsement	
Cyber	PF-59601 (04/25)	Contingent Business Interruption Loss And Extra Expenses - Blanket Supply Chain Risks	
Cyber	PF-59602 (04/25)	Cyber Incident Response (Side Car)	
Cyber	PF-59606 (04/25)	Cyber Incident Response Coach Retention Endorsement	\$0
Cyber	PF-59881 (11/24)	CYBER CRIME ENDORSEMENT	\$500,000
GTC	ALL-20887a-W (09/19)	Chubb Producer Compensation Practices & Policies	
GTC	ALL-21101-W (09/19)	Trade or Economic Sanctions Endorsement	
GTC	ALL-34772-W (11/11)	Illinois Notice to Policyholders Regarding the Religious Freedom Protection and Civil Union Act	
GTC	PF-17914a-W (04/16)	U.S. Treasury Department's Office Of Foreign Assets Control ("OFAC") Advisory Notice To Policyholders	

This quotation will remain valid until 01/30/2026.

Please read this quotation carefully, as the limits, coverage, exclusions, and other terms and conditions may vary significantly from those requested in your submission and/or from the expiring Policy. Terms and conditions that are not specifically mentioned in this quotation are not included. The terms, conditions, limits, and exclusions of this quotation supersede the submitted information and specifications and all other quotes and binders. Actual coverage will be provided by and in accordance with the Policy as issued.

The Insurer is not bound by any statements made in the submission purporting to bind the Insurer unless such statement is reflected in the Policy or in an agreement signed by someone authorized to bind the Insurer.

If between the date of this quotation and the proposed Effective Date of the Policy there is a significant adverse change in the condition of this Applicant, or an occurrence of an event, or other circumstances which could substantially change the underwriting evaluation of the Applicant, then, at the Insurer's option, this quotation may be withdrawn by written notice thereof to Applicant. The Insurer also reserves the right to modify the final terms and conditions upon review of the completed Application and any other information requested by the underwriter herein. If such material change in the risk is discovered after binding, the insurance coverage will be void ab initio ("from the beginning").

The terms, conditions, limits, and exclusions of this quotation supersede the submitted information and specifications submitted to us for consideration, and all prior quotes or indications. Actual coverage will be provided by and in accordance with the Policy as issued.

This quotation has been constructed in reliance on the information and specifications provided in the submission. A material change or misrepresentation of the submission information and specifications may void this quotation.

Note: If the Insuring Company noted above is either Westchester Surplus Lines Insurance Company or Illinois Union Insurance Company, then this insurance is issued pursuant to the state Surplus Lines laws of the domiciliary state of the insured. Persons insured by Surplus Lines carriers do not have the protection of the above captioned state's Guaranty Act to the extent of any right of recovery for the obligation of an insolvent unlicensed insurer.

Any applicable taxes, surcharges, or countersignature fees, etc. are in addition to the above quoted premium. Your office is responsible for making State Surplus Lines Filings and complying with all applicable laws.

Sincerely,

Ethan Kornacki

SIGNATURES

THE ONLY COMPANY APPLICABLE TO THIS POLICY IS THE COMPANY NAMED ON THE FIRST PAGE OF THE DECLARATIONS.

By signing and delivering the policy to you, we state that it is a valid contract.

INDEMNITY INSURANCE COMPANY OF NORTH AMERICA (A stock company)
BANKERS STANDARD INSURANCE COMPANY (A stock company)
ACE AMERICAN INSURANCE COMPANY (A stock company)
ACE PROPERTY AND CASUALTY INSURANCE COMPANY (A stock company)
INSURANCE COMPANY OF NORTH AMERICA (A stock company)
PACIFIC EMPLOYERS INSURANCE COMPANY (A stock company)
ACE FIRE UNDERWRITERS INSURANCE COMPANY (A stock company)
WESTCHESTER FIRE INSURANCE COMPANY (A stock company)

436 Walnut Street, P.O. Box 1000, Philadelphia, Pennsylvania 19106-3703



Brandon Peene, Secretary



Juan Luis Ortega, President

Authorized Representative

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In consideration of the payment of the premium, in reliance upon the **Application**, and subject to the Declarations, the limitations, conditions, provisions, and other terms and conditions of the **Policy**, the **Insureds** and the **Insurer** agree as follows:

I. TERMS AND CONDITIONS

These General Terms and Conditions apply to each and every Coverage Section of the **Policy**. The terms and conditions of each Coverage Section apply only to that Coverage Section and shall not be construed to apply to any other Coverage Section. If any provision in these General Terms and Conditions is inconsistent or in conflict with the terms and conditions of any Coverage Section, the terms and conditions of such Coverage Section shall control for purposes of that Coverage Section. All bolded terms in these General Terms and Conditions that are not defined under Section II, Definitions, shall have the meaning set forth in the applicable Coverage Section.

II. DEFINITIONS

Whenever used in the **Policy**, the terms that appear below in **boldface** type shall have the meanings set forth in this Definitions Section of the General Terms and Conditions. However, if a term also appears in **boldface** type in a particular Coverage Section and is defined in that Coverage Section, that definition shall apply for purposes of that particular Coverage Section. Terms that appear in **boldface** in the General Terms and Conditions but are not defined in this Definitions Section and are defined in other Coverage Sections of the **Policy** shall have the meanings ascribed to them in those Coverage Sections.

Application means any portion of all applications, including any attachments thereto, and all other information and materials submitted prior to the inception of the **Policy**, by or on behalf of the **Insureds** to the **Insurer**, in connection with the **Insurer** underwriting the **Policy**. All such applications, attachments, information, and materials are deemed attached to and incorporated into the **Policy**.

Bodily Injury means injury to the body, sickness, disease, or death. **Bodily Injury** also means mental injury, mental anguish, mental tension, emotional distress, pain and suffering, or shock, whether or not resulting from injury to the body, sickness, disease, or death of any person.

Cyber Incident means (except with respect to the Cyber Coverage Section):

1. unauthorized or unlawful access to, alteration of, or damage to any computer, computer program, computer network or computer database, including but not limited to the infection of any of the foregoing through the transmission of a computer virus, malware, spyware, or other fraudulent or unauthorized computer code that: (i) modifies, alters, damages, destroys, deletes, records, or transmits information; (ii) contaminates other computer programs or computer data; or (iii) consumes computer resources or in some fashion usurps the normal operation of a computer system;
2. denial of service or delay, disruption, impairment or failure of any computer or communication network, service, hardware or software, including but not limited to, any **Claim** for lost profits or opportunities as a result of such denial of service, delay, disruption, impairment, or failure;

3. unauthorized or unlawful access to, disclosure of, alteration of, theft, collection, storage, use or dissemination of, or loss of any confidential or proprietary business information or personally identifiable information as defined by: (i) applicable federal, state, local (or foreign equivalent) statutory law or common law anywhere in the world, or amendments thereto or rules or regulations promulgated thereunder; or (ii) an **Insured's** publicly stated privacy policy;
4. violation of any federal, state, or local (or foreign equivalent) privacy or data security statutory law or common law anywhere in the world or amendments thereto or rules or regulations promulgated thereunder;
5. human operating error or omission, including the choice of the program used, an error in setting parameters, or any inappropriate single intervention by an employee or a third party providing services to an **Insured**;
6. programming error that occurs during the development or encoding of a program, application, or operating system that would, once in operation, result in the malfunction of the computer system, an interruption of operations, or an incorrect result; or
7. power failure or surge.

ERISA means the Employee Retirement Income Security Act of 1974 (including amendments relating to the Consolidated Omnibus Budget Reconciliation Act of 1985, the Health Insurance Portability and Accountability Act of 1996, the Newborns' and Mothers' Health Protection Act of 1996, the Mental Health Parity Act of 1996, the Women's Health and Cancer Rights Act of 1998, the Pension Protection Act of 2006, the Health Information Technology for Economic and Clinical Health Act of 2009, the Patient Protection and Affordable Care Act of 2010, and the Setting Every Community Up for Retirement Enhancement Act of 2019), as amended; the privacy provisions under the Health Insurance Portability and Accountability Act of 1996, as amended; any similar provisions of any statutory or common law anywhere in the world; or any rule or regulation promulgated under any such Act or law.

Extended Reporting Period means the period of time shown in Item 5B of the Declarations, subject to Section VI, Extended Reporting Period.

Incident means **Professional Incident, Technology Incident, Media Incident, Professional Legal Incident, or Cyber Incident** if the applicable Coverage Section set forth in Item 4, was purchased.

Indecent Content means words, phrases, postings, pictures, advertisements, or any other material that:

1. is sexually explicit and is in violation of a statute prohibiting such content;
2. is sexually explicit and posted without the consent of the natural person(s) depicted in the material;
3. encourages, facilitates, incites, or threatens abuse, molestation, or sexual exploitation, including human trafficking or human sex trafficking; or
4. encourages, facilitates, incites, or threatens physical violence, self-inflicted violence, or any other related harm, including terrorism.

Infrastructure means any of the following operated or supplied by a third party:

1. electricity, gas, fuel, energy, water, telecommunications, or other utility;
2. Internet infrastructure, including any Domain Name System (DNS), Certificate Authority, or Internet Service Provider (ISP);

3. satellite; or
4. financial transaction or payment process platform, including a securities exchange.

Insurer means the insurance company providing this insurance, as designated in the Declarations.

Interrelated Incidents means all **Incidents** that have as a common nexus any act, fact, circumstance, situation, event, transaction, cause, or series of related acts, facts, circumstances, situations, events, transactions, or causes.

Loss means all covered **Costs, Claims Expenses, Covered Subpoena Defense Costs, and Damages** and any other expenses coverage provided by the **Policy** under purchased Coverage Sections.

Named Insured means the entity shown in Item 1 of the Declarations.

Notice Group Member means the natural persons defined as such in each purchased Coverage Section.

Organization means the **Named Insured** and any **Subsidiary**. **Organization** shall also mean any such entity as a debtor-in-possession.

Personal Injury means injury arising out of one or more of the following offenses:

1. false arrest, detention, or imprisonment;
2. malicious prosecution;
3. wrongful entry or eviction, or other invasion of the right to private occupancy;
4. libel, slander, product disparagement, trade libel, or other form of defamation; or
5. invasion or infringement of the right of privacy or publicity, including the torts of intrusion upon seclusion, publication of private facts, false light, or misappropriation of name or likeness.

However, solely with respect to the Employed Lawyers Coverage Section, **Personal Injury** shall also include injury arising out of abuse of process.

Policy means, collectively, the Declarations, **Application**, the policy, and any endorsements thereto.

Policy Period means the period from the effective date and hour of the inception of the **Policy** to the **Policy** expiration date and hour as set forth in Item 2 of the Declarations, or its earlier termination date and hour, if any.

Pollutants means any solid, liquid, gaseous, or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, per-and-polyfluoroalkyl substances (PFAS), asbestos, asbestos products, or waste. Waste includes materials to be recycled, reconditioned, or reclaimed.

Privacy or Cyber Laws means any local, state, federal, and foreign identity theft and privacy protection laws, legislation, statutes, or regulations that require commercial entities that collect Protected Information to post privacy policies, adopt specific privacy or security controls, or notify individuals in the event that **Protected Information** has potentially been compromised.

Property Damage means physical injury to, or destruction of, tangible property, including the resulting loss of use thereof.

Protected Information means the following, in any format:

1. a natural person's name, e-mail address, social security number, medical or healthcare data, other protected health information, driver's license number, state identification number, credit card number, debit card number, address, telephone number, account number, account histories, personally identifiable photos, personally identifiable videos, Internet browsing history, biometric records, genetic information, passwords, or other non-public personal information as defined in any **Privacy or Cyber Laws**; or
2. any other third party confidential or proprietary information:
 - a. that is not available to or known by the general public; or
 - b. which an **Organization** is legally responsible to maintain in confidence.

Retroactive Date means the applicable date shown in Item 4 of the Declarations for purchased Coverage Sections. If the applicable **Retroactive Date** for a purchased Coverage Section is left blank or contains the phrase "Full Prior Acts", "N/A", "Not Applicable", or "None", then **Retroactive Date** means the beginning of time.

Subsidiary means:

1. any entity while more than fifty percent (50%) of the outstanding securities representing the present right to vote for election of or to appoint directors, trustees, managers, members of the Board of Managers, or equivalent positions of such entity, are owned or controlled by the **Named Insured**, directly or through one or more **Subsidiaries**;
2. any entity formed as a partnership while more than fifty percent (50%) of the ownership interests representing the present right to vote for election of or to appoint the management or executive committee members or equivalent positions of such entity are owned or controlled by the **Named Insured**, directly or through one or more **Subsidiaries**; or
3. any entity while:
 - a. exactly fifty percent (50%) of the voting rights representing the present right to vote for election of or to appoint directors, trustees, managers, members of the Board of Managers, or equivalent positions of such entity, are owned or controlled by the **Named Insured**, directly or through one or more **Subsidiaries**; and
 - b. the **Named Insured**, pursuant to a written contract with the owners of the remaining and outstanding voting stock of such entity, solely controls the management and operation of such entity.

III. LIMIT OF LIABILITY

1. Regardless of the number of Coverage Sections purchased under the **Policy**, or the number of **Incidents**, **Covered Subpoenas**, **Insureds** against whom **Claims** are brought, **Claims** made or persons or entities making **Claims** the Maximum Policy Limit of Liability is the **Insurer's** maximum liability for all **Loss** under all Coverage Sections combined.

2. Except as provided in paragraph 3. immediately below, the Limits of Liability and Retentions for each Coverage Section are separate and only apply to the Coverage Section for which they are shown on the Declarations. The application of the Retention to covered loss under one Coverage Section shall not reduce the Retention under any other Coverage Section, and no reduction in the Limit of Liability applicable to one Coverage Section shall reduce the Limit of Liability under any other Coverage Section.
3. If the Limit of Liability of any Coverage Section is designated as a "Shared Limit" on the Declarations, any **Loss** paid under one shared Coverage Section shall reduce, and may exhaust, the Limit of Liability for all other shared Coverage Section(s). Subject to the Limits of Liability of each such shared Coverage Section(s), the maximum aggregate liability of the **Insurer** for all **Loss** under all such shared Coverage Section(s) shall be the single largest Limit of Liability of the shared Coverage Section(s) (the "Shared Aggregate Limit"), and the **Insurer's** Limit of Liability for each shared Coverage Section shall be part of, and not in addition to, all other shared Coverage Sections.

IV. RETENTION

The liability of the **Insurer** shall only apply to the amount of **Loss** arising from a **Claim, Incident** or other covered loss that exceeds the applicable Retention stated in Item 4 of the Declarations. Such Retention shall be borne uninsured by the **Insureds** and at the risk of all **Insureds**.

A single Retention amount shall apply to all **Loss** arising from all **Interrelated Incidents**. If different parts of an **Incident** or **Interrelated Incidents** are subject to different Retentions in different Coverage Sections, the applicable Retentions shall be applied separately to each part of such **Incident**, but the sum of such Retentions shall not exceed the largest applicable retention.

V. INTERRELATED INCIDENTS

All **Claims** arising out of the same **Incident** and all **Interrelated Incidents** shall be deemed to be one **Claim**, and such **Claim** shall be deemed to be first made on the date the earliest of such **Claims** is first made, regardless of whether such date is before or during the **Policy Period**.

All **Interrelated Incidents** shall be deemed to be one **Incident**, and such **Incident** shall be deemed to be first discovered or have first occurred, as applicable, on the date the earliest of such **Incidents** is first discovered or first occurs, regardless of whether such date is before or during the **Policy Period**.

VI. EXTENDED REPORTING PERIOD

A.If the **Insurer** terminates or does not renew the **Policy** (other than for failure to pay a premium when due), or if the **Named Insured** terminates or does not renew the **Policy** and does not obtain replacement coverage as of the effective date of such termination or nonrenewal, the **Named Insured** shall have the right, upon payment of the additional premium shown in Item 5A of the Declarations and subject to the terms specified in Subsections B-E directly below, to a continuation of the coverage granted by the **Policy** for the **Extended Reporting Period** shown in Item 5B of the Declarations following the effective date of such termination or non-renewal.

- B. Coverage for the **Extended Reporting Period** shall be only for **Claims** first made or **Incidents** first discovered during such **Extended Reporting Period** and arising from **Incidents** taking place prior to the effective date of such termination or non-renewal. This right to continue coverage shall lapse unless written notice of such election is given by the **Named Insured** to the **Insurer**, and the **Insurer** receives payment of the additional premium shown in Item 5A of the Declarations, within thirty (30) days following the effective date of termination or non-renewal.
- C. The **Extended Reporting Period** is non-cancelable and the entire premium for the **Extended Reporting Period** shall be deemed fully earned and non-refundable upon payment.
- D. The **Extended Reporting Period** shall not increase or reinstate any Limits of Liability. The Limits of Liability as shown in Item 3 and Item 4 of the Declarations shall apply to both the **Policy Period** and the **Extended Reporting Period**, combined.
- E. A change in **Policy** terms, conditions, exclusions, or premiums shall not be considered a non-renewal for purposes of triggering the rights to the **Extended Reporting Period**.

VII. MATERIAL CHANGES IN EXPOSURE

A. ACQUISITION OR CREATION OF ANOTHER ENTITY

If, during the **Policy Period**, the **Named Insured**:

- 1. acquires voting securities in another entity or creates another entity, which as a result of such acquisition or creation becomes a **Subsidiary**; or
- 2. acquires any entity by merger into or consolidation with the **Named Insured**;

then, subject to the terms and conditions of the **Policy**, such entity and its natural person **Insureds** shall be covered under the **Policy** but only with respect to **Claims** for **Incidents**, **Covered Subpoenas**, or **Incidents**, as applicable, taking place after such acquisition or creation, unless the **Insurer** agrees to provide coverage by endorsement for **Claims**, **Covered Subpoenas**, or **Incidents**, as applicable, taking place prior to such acquisition or creation.

B. ACQUISITION OF THE NAMED INSURED

If, during the **Policy Period**, any of the following events occurs:

- 1. the acquisition of the **Named Insured**, or of all or substantially all of its assets, by another entity, or the merger or consolidation of the **Named Insured** into or with another entity such that the **Named Insured** is not the surviving entity; or
- 2. the obtaining by any person, entity, or affiliated group of persons or entities, of the right to elect, appoint, or designate at least fifty percent (50%) of the directors, trustees, managers, members of the Board of Managers, management or executive committee members, or equivalent positions of the **Named Insured**;

then coverage under the **Policy** shall continue in full force and effect until termination of the **Policy**, but only with respect to **Claims** for **Incidents**, **Covered Subpoenas**, or **Incidents**, as applicable, taking place before such event. Coverage under the **Policy** shall cease as of the effective date of such event with respect to **Claims** for **Incidents**, **Covered Subpoenas**, or **Incidents**, as applicable, taking place after such event. The **Policy** may not be cancelled after the effective time of the event, and the entire premium for the **Policy** shall be deemed earned as of such time.

C. TERMINATION OF A SUBSIDIARY

If, before or during the **Policy Period**, an entity ceases to be a **Subsidiary**, coverage with respect to such **Subsidiary** and any natural person **Insured** (except an **Additional Insured**) of the **Subsidiary** shall continue until termination of the **Policy**. Such coverage continuation shall apply only with respect to **Claims** for **Incidents**, **Covered Subpoenas**, or **Incidents**, as applicable, taking place prior to the date such entity ceased to be a **Subsidiary**.

VIII. NOTICE

A. An **Insured** shall, as a condition precedent to such **Insured's** rights under the **Policy**, give to the **Insurer** written notice of any **Incident**, **Covered Subpoena**, or **Claim** as soon as practicable after any **Notice Group Member** discovers such **Incident** or becomes aware of such **Covered Subpoena** or **Claim**, but in no event later than:

1. if the **Policy** expires (or is otherwise terminated) without being renewed with the **Insurer**, ninety (90) days after the effective date of such expiration or termination; or
2. the expiration of the **Extended Reporting Period**, if applicable,

provided that if the **Insurer** sends written notice to the **Named Insured**, stating that the **Policy** is being terminated for nonpayment of premium, an **Insured** shall give to the **Insurer** written notice of such **Incident**, **Covered Subpoena**, or **Claim** prior to the effective date of such termination.

If the **Insured** is unable to provide notification required under the **Policy** due to a prohibition by any law enforcement or governmental authority, the **Insured** shall use its best efforts to provide the **Insurer** with information to make the **Insurer** aware of a potential or actual **Incident**, **Covered Subpoena**, or **Claim** until written notice can actually be provided.

Notwithstanding the foregoing, there shall be no coverage for any such **Incident**, **Covered Subpoena**, or **Claim** if the information withheld relating to such **Incident**, **Covered Subpoena**, or **Claim** was:

- a. both (i) known to the **Insured** prior to the **Policy** Inception Date shown in Item 2 of the Declarations, and (ii) not disclosed in the **Application**; or
- b. not disclosed in writing to the **Insurer** within a reasonable time period after the prohibition on disclosing the information was revoked or no longer necessary.

C. If, during the **Policy Period**, any **Notice Group Member** first becomes aware of any **Incident**, **Covered Subpoena**, or any fact, circumstance, situation, or **Incident** which may reasonably give rise to a future **Claim** under the **Policy** ("**Potential Claim**"), and written notice is given to the **Insurer** during the **Policy Period**, of the:

1. nature of the **Incident** or **Potential Claim**;
2. identity of the **Insureds** allegedly involved;
3. circumstances by which the **Insureds** first became aware of the **Incident**, **Covered Subpoena**, or **Potential Claim**;
4. identity of the actual or potential claimants;
5. foreseeable consequences of the **Incident**, **Covered Subpoena**, or **Potential Claim**; and

6. nature of the potential **Damages**;

then any **Claim** which arises out of such **Incident**, or **Potential Claim** shall be deemed to have been first made at the time such written notice was received by the **Insurer**. The **Insurer** shall not pay for **Damages** or **Claims Expenses** incurred prior to the time such **Incident** or **Potential Claim** results in a **Claim**.

- D. All notices under any provision of the **Policy** shall be given as follows:

1. Notice to the **Insureds** may be given to the **Named Insured** at the address shown in Item 1 of the Declarations.
2. Notice to the **Insurer** of any **Incident, Claim, Covered Subpoena**, or **Potential Claim** shall be given to the **Insurer** at the physical address or email address shown in Item 6A of the Declarations.
3. All other notices to the **Insurer** under the **Policy** shall be given to the **Insurer** at the physical address shown in Item 6B of the Declarations.

Notice given as set out above shall be deemed to be received and effective upon actual receipt thereof by the addressee, or one day following the date such notice is sent, whichever is earlier. When any such notices are sent to a physical address, such notices shall be sent by prepaid express courier or certified mail properly addressed to the appropriate party.

IX. TERMINATION OF THE POLICY

- A. The **Policy** in its entirety or any of the applicable Coverage Sections individually shall terminate at the earliest of the following times:
1. the effective date of termination specified in a prior written notice by the **Named Insured** to the **Insurer**;
 2. twenty (20) days after receipt by the **Named Insured** of a written notice of termination from the **Insurer** for failure to pay a premium when due, unless the premium is paid within such twenty (20) day period;
 3. upon expiration of the **Policy Period** as shown in Item 2 of the Declarations; or
 4. at such other time as may be agreed upon by the **Insurer** and the **Named Insured**.
- B. If the **Policy** is terminated by the **Named Insured** or the **Insurer**, the **Insurer** shall refund the unearned premium computed *pro rata*. Payment or tender of any unearned premium by the **Insurer** shall not be a condition precedent to the effectiveness of such termination, but such payment shall be made as soon as practicable.

X. DEFENSE AND SETTLEMENT

- A. The **Insurer** shall have the right and duty to defend any **Claim**, or respond to any **Covered Subpoena** if the Media Coverage Section or Employed Lawyers Coverage Section is purchased, brought against an **Insured** even if such **Claim** is groundless, false, or fraudulent.

The **Insurer** shall consult and endeavor to reach an agreement with the **Insured** regarding the appointment of counsel, but shall retain the right to appoint counsel and to make such investigation and defense of a **Claim** as it deems necessary.

- B. If the Miscellaneous Professional Liability Coverage Section is purchased, the **Insurer** shall have the right, but not the duty, to defend any **Professional Disciplinary Proceeding**. For such **Claims**, the **Insured** shall select defense counsel from the **Insurer's** list of approved law firms, and the **Insurer** reserves the right to associate in the defense of such **Claims**.
- C. No **Insured** shall settle any **Claim**, incur any **Claims Expenses**, or otherwise assume any contractual obligation or admit any liability with respect to any **Claim** without the **Insurer's** written consent, which shall not be unreasonably withheld.
- D. The **Insurer** shall not settle any **Claim** without the written consent of the **Named Insured** except with respect to Insuring Agreement A, Individual Non-Indemnified Liability Coverage, of the Employed Lawyers Coverage Section, the **Insurer** shall instead not settle any **Claim** without the written consent of the named **Insured Persons**. If the **Named Insured** or, where applicable, **Insured Persons** refuses to consent to a settlement recommended by the **Insurer** and acceptable to the claimant, then the **Insurer's** applicable Limit of Liability under the **Policy** with respect to such **Claim** shall be reduced to:
 - 1. the amount of **Damages** for which the **Claim** could have been settled plus all **Claims Expenses** incurred up to the time the **Insurer** made its recommendation to the **Named Insured** or, where applicable, **Insured Persons**; plus
 - 2. eighty percent (80%) of all subsequent covered **Damages** and **Claims Expenses** in excess of such amount referenced in paragraph 1 immediately above, which amount shall not exceed that portion of any applicable Limit of Liability that remains unexhausted by payment of **Costs, Damages, and Claims Expenses**. The remaining twenty percent (20%) of all subsequent covered **Damages** and **Claims Expenses** shall be borne by the **Insureds** uninsured and at their own risk.

However, this Subsection D does not apply to any potential settlement that is within the Retention.

- E. The **Insurer** shall not be obligated to investigate, defend, pay, or settle, or continue to investigate, defend, pay, or settle any **Claim** after any applicable Limit of Liability has been exhausted by payment of **Costs, Covered Subpoena Defense Costs, Damages, or Claims Expenses**, or by any combination thereof, or after the **Insurer** has deposited the remainder of any unexhausted applicable Limit of Liability into a court of competent jurisdiction. In either such case, the **Insurer** shall have the right to withdraw from the further investigation, defense, payment, or settlement of such **Claim** by tendering control of such **Claim** to the **Insured**.
- F. The **Insureds** shall cooperate with the **Insurer** and provide to the **Insurer** all information and assistance the **Insurer** reasonably requests, including attending hearings, depositions, and trials, and assistance in effecting settlements, securing and giving evidence, obtaining the attendance of witnesses, and conducting the defense of any **Claim** covered by the **Policy**. The **Insured** shall not take any action which in any way increases the **Insurer's** exposure under the **Policy** and shall do nothing that may prejudice the **Insurer's** position. The **Insureds** shall forward to the **Insurer** as soon as practicable, at the address shown in Item 6A of the Declarations, every demand, notice, summons, or other process or pleading received by an **Insured** or its representatives.
- G. If the Cyber Coverage Section is purchased, with the exception of paragraph 6 of the **Cyber Incident Response Expenses** definition, an **Insured** has the right to incur **Cyber Incident Response Expenses** without the **Insurer's** prior consent. However, the **Insurer** shall, at its sole discretion and in good faith, pay only for such expenses that the **Insurer** deems to be reasonable and necessary.

- H. If the Media Coverage Section is purchased, the **Insured** shall retain sole discretion regarding whether and under what circumstances to issue a retraction of **Material** previously communicated, distributed, or released by the **Insured**.
- I. The **Insurer** shall also have the right and duty to respond to any **Covered Subpoena** if the Media Coverage Section or Employed Lawyers Coverage Section is purchased.

XI. COORDINATION OF COVERAGE

If **Loss** on account of any **Claim** is covered under more than one Coverage Section, such **Loss** shall be first covered under the Media Coverage Section, if applicable, subject to its terms, conditions and limitations. Any remaining portion of such **Loss** which is not paid under the Media Coverage Section shall then be covered under the Cyber Coverage Section, if applicable, subject to its terms, conditions and limitations. Any remaining portion of such **Loss** otherwise covered under any other applicable Coverage Section which is not paid under the Media or Cyber Coverage Sections shall be covered under such other Coverage Section, subject to the terms, conditions and limitations of such Coverage Section.

XII. ALLOCATION

If a **Claim** includes both covered and uncovered matters, then coverage shall apply as follows:

- A. **Claims Expenses:** one hundred percent (100%) of **Claims Expenses** incurred by any **Insured** on account of such **Claim** shall be considered covered from the date of tender to the **Insurer**, provided that the foregoing shall not apply with respect to any **Insured** for whom coverage is excluded pursuant to the applicable Coverage Section's Conduct Exclusion or Section XVIII Representations, of these General Terms and Conditions.
- B. **Loss other than Claims Expenses:** all remaining loss incurred by such **Insured** from such **Claim** shall be allocated between covered **Damages** and uncovered damages based upon the relative legal and financial exposures of, and the relative benefits obtained by, the parties to such matters. The **Insurer** shall not be liable under this **Policy** for the portion of such amount allocated to non-covered loss.

XIII. OTHER INSURANCE

If any **Loss** or **Covered Subpoena Defense Costs** that are covered under the **Policy** are covered under any other valid and collectible insurance, then the **Policy** shall cover such **Loss** or **Covered Subpoena Defense Costs**, subject to the **Policy** terms and conditions, only to the extent that the amount of such **Loss** or **Covered Subpoena Defense Costs** are in excess of the amount of such other insurance, whether such other insurance is stated to be primary, contributory, excess, contingent, or otherwise, unless such other insurance is written only as specific excess insurance over the Limits of Liability provided by the **Policy**.

Notwithstanding the foregoing, in the event an **Insured** has, prior to any **Technology Incident**, contractually obligated itself to provide primary and non-contributory insurance to any **Additional Insured**, as defined under subparagraph 7 of the definition of **Insured** in the Cyber Coverage Section, this **Policy** will be considered primary and not excess of or non-contributory to any other insurance provided by, or for the benefit of, such **Additional Insured**.

XIV. ACTION AGAINST THE INSURER AND BANKRUPTCY

No action shall lie against the **Insurer** unless, as a condition precedent thereto, there shall have been compliance with all of the terms of the **Policy**. No person or entity shall have any right under the **Policy** to join the **Insurer** as a party to any action against any **Insured** to determine the liability of such **Insured**, nor shall the **Insurer** be impleaded by any **Insured** or its legal representatives. Bankruptcy or insolvency of any **Insured** or of the estate of any **Insured** shall not relieve the **Insurer** of its obligations nor deprive the **Insurer** of its rights or defenses under the **Policy**.

XV. ALTERNATIVE DISPUTE RESOLUTION

- A. The **Insureds** and the **Insurer** shall submit any dispute or controversy arising out of or relating to the **Policy** or the breach, termination, or invalidity thereof to the alternative dispute resolution ("ADR") process set forth in this Section.
- B. Either an **Insured** or the **Insurer** may elect the type of ADR process discussed below. However, such **Insured** shall have the right to reject the choice by the **Insurer** of the type of ADR process at any time prior to its commencement, in which case the choice by such **Insured** of ADR process shall control.
- C. There shall be two choices of ADR process:
 - 1. non-binding mediation administered by any mediation facility to which the **Insurer** and an **Insured** mutually agree, in which such **Insured** and the **Insurer** shall try in good faith to settle the dispute by mediation in accordance with the then-prevailing commercial mediation rules of the mediation facility; or
 - 2. arbitration submitted to any arbitration facility to which an **Insured** and the **Insurer** mutually agree, in which the arbitration panel shall consist of three disinterested individuals.

In either mediation or arbitration, the mediator or arbitrators shall have knowledge of the legal, corporate management, or insurance issues relevant to the matters in dispute. In the event of arbitration, the decision of the arbitrators shall be final and binding and provided to both parties, and the award of the arbitrators shall not include attorneys' fees or other costs. In the event of mediation, either party shall have the right to commence a judicial proceeding. However, no such judicial proceeding shall be commenced until at least sixty (60) days after the date the mediation shall be deemed concluded or terminated. In all events, each party shall share equally the expenses of the ADR process.

- D. Either ADR process may be commenced in New York or in the state shown in Item 1 of the Declarations as the principal address of the **Named Insured**. The **Named Insured** shall act on behalf of each and every **Insured** in connection with any ADR process under this Section.
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XVI. SUBROGATION

- A. In the event of any payments under the **Policy**, the **Insurer** shall be subrogated to the extent of such payment to all of the **Insureds'** rights of recovery against any person or entity. In the event of payment under the **Policy**, the **Insureds** must transfer to the **Insurer** any applicable rights to recover from another person or entity all or part of any such payment. The **Insureds** shall execute all papers required and shall do everything necessary to secure and preserve such rights, including the execution of such documents necessary to enable the **Insurer** to effectively bring suit or otherwise pursue subrogation rights in the name of the **Insureds**.
- B. If prior to the **Incident** or **Claim** connected with such payment, an **Insured** has agreed in writing to waive such **Insured's** right of recovery or subrogation against any person or entity, such agreement shall not be considered a violation of such **Insured's** duties under the **Policy**.

XVII. AUTHORIZATION

By acceptance of the **Policy**, the **Named Insured** agrees to act on behalf of all **Insureds** with respect to the giving of notice of any **Incident**, **Claim** or **Covered Subpoena** the giving or receiving of notice of termination or non-renewal, the payment of premiums, the receiving of any premiums that may become due under the **Policy**, the agreement to and acceptance of endorsements, consenting to any settlement, exercising the right to the **Extended Reporting Period**, and the giving or receiving of any other notice provided for in the **Policy**, and all **Insureds** agree that the **Named Insured** shall so act on their behalf.

XVIII. REPRESENTATIONS

- A. In granting coverage to any **Insured**, the **Insurer** has relied upon the declarations and statements in the **Application** for the **Policy**. Such declarations and statements are the basis of the coverage under the **Policy** and shall be considered as incorporated in and constituting part of the **Policy**.
- B. The **Application** for coverage shall be construed as a separate **Application** for coverage by each **Insured**. With respect to the declarations and statements in such **Application**, no knowledge possessed by a natural person **Insured** shall be imputed to any other natural person **Insured**.
- C. However, in the event that such **Application** contains any misrepresentations or omissions made with the actual intent to deceive or contains any misrepresentations or omissions which, regardless of whether they were made with the actual intent to deceive, materially affect either the acceptance of the risk or the hazard assumed by the **Insurer** under the **Policy**, then no coverage shall be afforded for any **Incident**, **Claim** or **Covered Subpoena** based upon, arising from, or in consequence of any facts, circumstances, or responses giving rise to or that are the subject matter of such misrepresentations or omissions with respect to:
 - 1. any natural person **Insured** who knew of such facts, circumstances, or responses underlying or that are the subject matter of such misrepresentations or omissions (whether or not such natural person knew of such **Application** or that the **Application** contained any misrepresentations or omissions); or
 - 2. an **Organization**, if any past or present **Control Group Member** knew of such facts, circumstances, or responses giving rise to or that are the subject matter of such misrepresentations or omissions (whether or not such **Control Group Member** knew of such **Application** or knew that the **Application** contained any misrepresentations or omissions).

- D. The **Insurer** shall not be entitled under any circumstances to void or rescind the Cyber and Miscellaneous Professional Liability Coverage Sections with respect to any **Insured**.

XIX. TERRITORY AND VALUATION

- A. Coverage provided under the **Policy** shall extend to **Incidents** and **Claims** taking place, brought, or maintained anywhere in the universe. Any provision in the **Policy** pertaining to coverage for **Incidents**, **Claims** made, **Covered Subpoenas**, **Damages**, or **Claims Expenses** sustained anywhere outside the United States of America shall only apply where legally permissible.
- B. All premiums, limits, retentions, **Loss**, and other amounts under the **Policy** are expressed and payable in the currency of the United States of America. If judgment is rendered, settlement is denominated, or another element of loss under the **Policy** is stated in a currency other than United States of America dollars, or if **Extortion Expenses** are stated in a currency, including Bitcoin or other crypto-currency(ies), other than United States of America dollars, payment under the **Policy** shall be made in United States dollars at the applicable rate of exchange as published by *The Wall Street Journal* as of the date the final judgment is reached, the amount of the settlement is agreed upon, or the other element of loss is due, respectively, or, if not published on such date, the next date of publication by *The Wall Street Journal*. If there is no applicable rate of exchange published by *The Wall Street Journal*, then payment under the **Policy** shall be made in the equivalent of United States of America dollars at the actual rate of exchange for such currency.

XX. SPOUSES, COMMON LAW PARTNERS, ESTATES AND LEGAL REPRESENTATIVES

Coverage under the **Policy** shall extend to any **Claim** for any **Incident** made against:

- A. the lawful spouse or domestic partner of a natural person **Insured** solely by reason of such spouse's or domestic partner's status as a spouse or domestic partner, or such spouse's or domestic partner's ownership interest in property which the claimant seeks as recovery in such **Claim**; or
- B. the estate, heirs, legal representatives, or assigns of a natural person **Insured** if such natural person **Insured** is deceased, or the legal representatives or assigns of a natural person **Insured** if such natural person **Insured** is legally incompetent, insolvent, or bankrupt,

provided that:

1. no coverage is provided for any act, error or omission of an estate, heir, legal representative, assign, spouse, or domestic partner; and
2. all of the terms and conditions of the **Policy** including, without limitation, all applicable Retentions shown in Item 4 of the Declarations apply to such **Claim**.

XXI. ALTERATION, ASSIGNMENT, AND HEADINGS

- A. Notice to any agent, or knowledge possessed by any agent or by any other person, shall not affect a waiver or a change in any part of the **Policy** or prevent the **Insurer** from asserting any right under the terms of the **Policy**.

- B. No change in, modification of, or assignment of interest under the **Policy** shall be effective, except when made by a written endorsement to the **Policy** that is signed by an authorized representative of the **Insurer**.
 - C. The titles and headings to the various parts, sections, subsections, and endorsements of the **Policy** are included solely for ease of reference and do not in any way limit, expand, serve to interpret, or otherwise affect the provisions of such parts, sections, subsections, or endorsements.
 - D. Any reference to the singular shall include the plural and vice versa.
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XXII. COMPLIANCE WITH TRADE SANCTIONS

This insurance does not apply to the extent that trade or economic sanctions or other similar laws or regulations, or any other global laws, prohibit the **Insurer** from providing insurance, including the payment of claims.

XXIII. ENTIRE AGREEMENT

By acceptance of this **Policy**, the **Insureds** agree that this **Policy** embodies all agreements existing between them and the **Insurer** or any of their agents relating to this insurance. Notice to any agent or knowledge possessed by any agent or other person acting on behalf of the **Insurer** shall not affect a waiver or a change in any part of this **Policy** or estop the **Insurer** from asserting any right under the terms of this **Policy** or otherwise, nor shall the terms be deemed waived or changed except by written endorsement or rider issued by the **Insurer** to form part of this **Policy**.

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The Westchester Portfolio Cyber & Professional Liability Policy Cyber Coverage Section

In consideration of the payment of the premium, in reliance upon the **Application**, and subject to the Declarations, General Terms and Conditions, the limitations, conditions, provisions, and other terms and conditions of this Coverage Section, the **Insureds** and the **Insurer** agree as follows:

I. INSURING AGREEMENTS

All **Cyber Incidents** will be categorized as either a **Limited Impact Event** or **Widespread Event**. Coverage for any **Limited Impact Event** is afforded pursuant to those Insuring Agreements purchased, as shown in the Cyber Coverage Section portion of Item 4 of the Declarations, provided however that coverage for any **Widespread Event** shall apply as set forth in Section IV, and is subject to the applicable Retention, Coinsurance, and Limits of Liability shown in the Cyber Coverage Section portion of Item 4 of the Declarations. As described in Section IV, Subsection A, the terms set forth in the Cyber Coverage Section portion of Item 4 of the Declarations of the Declarations shall only serve to reduce, and thus never increase, the Limits of Liability set forth in Item 4 of the Declarations.

FIRST PARTY INSURING AGREEMENTS

A. *CYBER INCIDENT RESPONSE FUND*

The **Insurer** will pay **Cyber Incident Response Expenses** incurred by an **Insured** in response to a **Cyber Incident** first discovered by any **Notice Group Member** during the **Policy Period**.

B. *BUSINESS INTERRUPTION LOSS AND EXTRA EXPENSES*

The **Insurer** will pay:

1. **Business Interruption Loss** and **Extra Expenses** incurred by an **Insured** during the **Period of Restoration** resulting directly from a **Cyber Incident** first discovered by any **Notice Group Member** during the **Policy Period**, plus after the expiration of the **Observation Period**, any resulting **Customer Attrition Expenses** and **Customer Attrition Loss** incurred by the **Insured** during the **Period of Restoration**;
2. **Contingent Business Interruption Loss** and **Extra Expenses** incurred by an **Insured** during the **Period of Restoration** resulting directly from a **Cyber Incident** first discovered by any **Notice Group Member** during the **Policy Period**; and
3. after the expiration of the **Observation Period**, **Customer Attrition Expenses** and **Customer Attrition Loss** incurred by an **Insured** during the **Period of Restoration** resulting directly from a **Reputational Event** first discovered by any **Notice Group Member** during the **Policy Period**.

C. *DIGITAL DATA RECOVERY*

The **Insurer** will pay **Digital Data Recovery Costs** incurred by an **Insured** resulting directly from a **Cyber Incident** first discovered by any **Notice Group Member** during the **Policy Period**.

D. *NETWORK EXTORTION*

The **Insurer** will reimburse **Extortion Expenses** incurred by an **Insured** in response to a **Cyber Incident** first discovered by any **Notice Group Member** during the **Policy Period**.

THIRD PARTY INSURING AGREEMENTS

E. CYBER, PRIVACY AND NETWORK SECURITY LIABILITY

The **Insurer** will pay **Damages** and **Claims Expenses** by reason of a **Claim** first made against an **Insured** during the **Policy Period** for a **Cyber Incident** which first occurs on or after the **Retroactive Date** and prior to the end of the **Policy Period**.

F. ELECTRONIC, SOCIAL AND PRINTED MEDIA LIABILITY

The **Insurer** will pay **Damages** and **Claims Expenses** by reason of a **Claim** first made against an **Insured** during the **Policy Period** for a **Media Incident** which first occurs on or after the **Retroactive Date** and prior to the end of the **Policy Period**.

T. TECHNOLOGY ERRORS AND OMISSIONS LIABILITY

The **Insurer** will pay **Damages** and **Claims Expenses** by reason of a **Claim** first made against an **Insured** during the **Policy Period** for a **Technology Incident** which first occurs on or after the **Retroactive Date** and prior to the end of the **Policy Period**.

II. DEFINITIONS

For purposes of this Coverage Section:

All Other Widespread Events means a **Widespread Event** not arising from a **Widespread Severe Known Vulnerability Exploit**, **Widespread Software Supply Chain Exploit**, or **Widespread Severe Zero Day Exploit**.

Authorized User means any individual authorized by an **Organization** to access an **Insured's Computer System** or **Shared Computer System**.

Betterment Costs means the reasonable and necessary costs incurred by an **Insured** to repair or replace **Digital Data** or physical hardware or equipment that are part of an **Insured's Computer System**, where such repair or replacement constitutes an improvement or upgrade to security or efficiency beyond that which existed prior to the applicable **Cyber Incident**, provided:

1. such costs are necessary because of a security vulnerability that cannot otherwise be corrected, fixed, or repaired; and
2. if left unmitigated, such vulnerability could reasonably and foreseeably result in a similar **Cyber Incident** occurring again in the future.

Further, **Betterment Costs** shall include costs to identify such security vulnerability and reach such determination.

Coverage for **Betterment Costs** shall be valued as the difference between:

- a. the actual cost incurred by the **Insured** for the repair or replacement of such **Digital Data** or physical hardware or equipment (or any component or part thereof); and
- b. any costs that would have been incurred by the **Insured** for the repair or replacement of such **Digital Data** or physical hardware or equipment had it been repaired or replaced with that of like kind, quality, and function to that which existed prior to the applicable **Cyber Incident**.

Breach Response Indemnitee means any natural person or entity whom an **Organization** has agreed via written contract or agreement to indemnify for **Cyber Incident Response Expenses** arising out of any actual or reasonably suspected failure by an **Insured**, or any independent contractor for whom or for which an **Insured** is legally responsible (other than the **Breach Response Indemnitee**), to properly handle, manage, store, destroy, protect, use, or otherwise control **Protected Information**.

Breach Disclosure Incident means, with respect to a **Limited Impact Event**, a **Cyber Incident**, as defined in paragraph 1.b. of such definition, followed by written notification by the **Insured** to those natural persons whose **Protected Information** was wrongfully disclosed or otherwise compromised as a result of such **Cyber Incident**, but only if such notification by the **Insured** was:

1. required to comply with **Privacy or Cyber Laws**; or
2. made with the **Insurer's** prior consent.

Business Interruption Loss means:

1. the **Insured's Profit** before taxes that would have been earned had no **Interruption in Service** of the **Insured's Computer System** occurred, less the **Insured's Profit** actually earned before taxes; and
2. **Telecom Theft Loss**.

However, **Business Interruption Loss** shall not include **Extra Expenses**.

Claim means any:

1. written demand against any **Insured** for monetary damages or non-monetary or injunctive relief;
2. civil proceeding against any **Insured** seeking monetary damages or non-monetary or injunctive relief, commenced by the service of a complaint or similar pleading;
3. arbitration, mediation, or other alternative dispute resolution proceeding against any **Insured** seeking monetary damages or non-monetary or injunctive relief, commenced by the receipt of a written demand, or service of a complaint or similar pleading;
4. criminal proceeding against any **Insured** commenced by: (a) an arrest, or (b) a return of an indictment, information, or similar document;
5. written request directed at any **Insured** to toll or waive a statute of limitations applicable to a **Claim** referenced in paragraphs 1-4 immediately above; or
6. **Regulatory Proceeding** against any **Insured**,

including, where applicable, any appeal therefrom.

Claims Expenses means the reasonable and necessary:

1. attorneys' fees, mediation costs, arbitration expenses, expert witness fees, and other fees and costs incurred by the **Insurer**, or by an **Insured** with the **Insurer's** prior written consent, in the investigation and defense of a **Claim**; and
2. premiums for any appeal bond, attachment bond, or similar bond, although the **Insurer** shall have no obligation to apply for or furnish such bond.

However, **Claims Expenses** shall not include wages, salaries, or other compensation of directors, officers, similar executives, or employees of the **Insurer** or any **Insured**.

Computer System means computer hardware, software, **Telephone System**, firmware, and the data stored thereon, as well as associated input and output devices, data storage devices, mobile devices, networking equipment, storage area network, or other electronic data backup facilities. The terms referenced herein include Industrial Control Systems.

Consumer Redress Fund means a sum of money which an **Insured** is legally obligated to deposit in a fund as equitable relief for the payment of consumer claims due to an adverse judgment or settlement of a **Regulatory Proceeding**. However, **Consumer Redress Fund** shall not include any amounts paid which constitute taxes, fines, penalties, injunctive relief, or sanctions.

Contingent Business Interruption Loss means:

1. the **Insured's Profit** before taxes that would have been earned had no **Interruption in Service** of a **Shared Computer System** occurred, less the **Insured's Profit** actually earned before taxes; and
2. **Telecom Theft Loss**.

However, **Contingent Business Interruption Loss** shall not include **Extra Expenses**.

Control Group Member means, as applicable, an **Organization's** Chief Executive Officer, Chief Financial Officer, Chief Information Officer, Chief Information Security Officer, Chief Privacy Officer, Chief Technology Officer, General Counsel, or Risk Manager, or the organizational or functional equivalent of such positions.

Costs means:

1. **Cyber Incident Response Expenses**;
2. **Business Interruption Loss**;
3. **Contingent Business Interruption Loss**;
4. **Extra Expenses**;
5. **Digital Data Recovery Costs**;
6. **Extortion Expenses**;
7. **Customer Attrition Expenses**; or
8. **Customer Attrition Loss**.

Custodian Breach means any unlawful or unauthorized access, exposure, disclosure, loss, alteration, or destruction of **Protected Information**, or data breach as otherwise defined in **Privacy or Cyber Laws**, within a **Computer System** operated by a third party data custodian under written agreement or contract with an **Insured**.

Customer Attrition Expenses means costs incurred by an **Insured**, with the **Insurer's** prior consent, to retain the services of a third party forensic accounting firm to determine the amount of **Customer Attrition Loss**.

Customer Attrition Loss means the **Insured's Profit** before taxes that would have been earned had no **Interruption in Service** or **Reputational Event** occurred, less the **Insured's Profit** actually earned before taxes, but only if such difference can be proven by a quantifiable reduction in seasonally-adjusted daily revenue amounts caused by damage to the **Insured's** reputation as a direct result of the **Interruption in Service** or **Reputational Event**;

provided that:

1. with respect to Insuring Agreement B1, the **Customer Attrition Loss** is a direct result of an **Interruption in Service**, and is incurred after such **Interruption in Service** has ended; and
2. with respect to Insuring Agreement B3, the **Customer Attrition Loss** is a direct result of a **Reputational Event**; and
3. the calculation of **Customer Attrition Loss** will be reduced by any quantifiable increase in the **Insured's Profit** before taxes actually earned within the **Observation Period** which is in excess of the **Insured's Profit** before taxes that would have been earned during the same time period had no **Interruption in Service** or **Reputational Event** occurred.

However, **Customer Attrition Loss** shall not include:

- a. loss arising out of the diminution in value of money, securities, property, or any other item of value;
- b. loss arising out of any liability to any third party as a result of a **Cyber Incident**, including **Damages**;
- c. loss arising out of unfavorable business conditions, loss of market value, or any other consequential loss;
- d. **Claims Expenses**;
- e. **Cyber Incident Response Expenses**;
- f. **Extra Expenses**; or
- g. wages, salaries, or other compensation of directors, officers, similar executives, or employees of any **Insured**.

Cyber Incident means:

1. with respect to Insuring Agreement A, Cyber Incident Response Fund,
 - a. any actual or reasonably suspected **Network Security Failure**;
 - b. any actual or reasonably suspected failure by an **Insured**, or any independent contractor for whom or for which an **Insured** is legally responsible, to properly handle, manage, store, destroy, protect, use, or otherwise control **Protected Information**;
 - c. any unintentional violation by an **Insured** of any **Privacy or Cyber Laws**, including the unintentional wrongful collection of **Protected Information** by an **Insured**;
 - d. any reasonably suspected **Interruption in Service** or **Telecom Theft**, provided a Limit of Liability is shown in the Declarations applicable to Insuring Agreement B, Business Interruption And Extra Expenses; or
 - e. any reasonably suspected **Network Extortion Threat**, provided a Limit of Liability is shown in the Declarations applicable to Insuring Agreement D, Network Extortion;
2. with respect to Insuring Agreement B, Business Interruption Loss And Extra Expenses, an actual **Interruption in Service** or **Telecom Theft**;
3. with respect to Insuring Agreement C, Digital Data Recovery, an actual **Network Security Failure** resulting in **Digital Data Recovery Costs**;
4. with respect to Insuring Agreement D, Network Extortion, an actual **Network Extortion Threat**; or

5. with respect to Insuring Agreement E, Cyber, Privacy And Network Security Liability, any error, misstatement, misleading statement, act, omission, neglect, breach of duty, or other offense actually or allegedly committed or attempted by any **Insured** in their capacity as such, resulting in or based upon a **Cyber Incident** as referenced in paragraphs 1 – 4 immediately above.

Cyber Incident Response Coach means the law firm within the **Cyber Incident Response Team**, designated for consultative and pre-litigation legal services provided to an **Insured**.

Cyber Incident Response Expenses means those reasonable and necessary expenses paid or incurred by an **Insured** as a result of a **Cyber Incident**. Such expenses are as follows:

1. retaining the services of a law firm for consultative and pre-litigation legal services, whether or not provided by the **Cyber Incident Response Coach**;
2. retaining the services of third party forensic firms, including a Payment Card Industry (PCI) Forensic Investigator, to determine the cause and scope of a **Cyber Incident**, and if such **Cyber Incident** is actively in progress, to assist in containing it;
3. retaining the services of a public relations or crisis communications firm for the purpose of protecting or restoring the reputation of, or mitigating financial harm to, an **Insured**;
4. retaining the services of a law firm to determine the **Insured's** rights under the indemnification provisions of a written agreement or contract between the **Insured** and any other person or entity with respect to a **Cyber Incident** otherwise covered under Insuring Agreements A - E of this **Policy**;
5. expenses required to comply with **Privacy or Cyber Laws**, including:
 - a. retaining the services of a law firm to determine the applicability of and actions necessary to comply with **Privacy or Cyber Laws**;
 - b. drafting notification letters, and to report and communicate as required with any regulatory, administrative, or supervisory authority;
 - c. call center services, mailing services or costs, and other related services for notification as required by law; or
 - d. providing credit monitoring, credit freezing, or credit thawing.

For purposes of this paragraph 5, compliance with **Privacy or Cyber Laws** shall follow the law of the applicable jurisdiction that most favors coverage for such expenses;

6. with the **Insurer's** prior consent, expenses not required to comply with **Privacy or Cyber Laws**, for:
 - a. notifying a natural person whose **Protected Information** has been wrongfully disclosed or otherwise compromised, including retaining a notification service or the services of a call center;
 - b. providing credit monitoring, credit freezing, credit thawing, healthcare record monitoring (where available), social media monitoring, password management services, or fraud alert services for those natural persons who accept an offer made by or on behalf of the **Insured** for, and receive, such services;
 - c. retaining the services of a licensed investigator or credit specialist to provide fraud consultation to the natural persons whose **Protected Information** has been wrongfully disclosed or otherwise compromised;

- d. retaining the services of a third party identity restoration service for natural persons identified by a licensed investigator as victims of identity theft directly resulting from a **Cyber Incident** otherwise covered under Insuring Agreements A or E;
 - e. paying any reasonable amount to an informant for information not otherwise available which leads to the arrest and conviction of a natural person or an entity responsible for a **Cyber Incident**; or
 - f. other services that are deemed reasonable and necessary by the **Insurer**, including those services to mitigate or reduce any **Costs** that may otherwise be covered under this **Policy**, such as the removal of malicious software; or
7. with the **Insurer's** prior consent, expenses required to protect and preserve Elements of Proof, pursuant to Section VIII, Duties in the Event of a Cyber Incident.

However, **Cyber Incident Response Expenses** shall not include:

- i. costs or expenses incurred to update or improve privacy or network security controls, policies or procedures, or compliance with **Privacy or Cyber Laws**, to a level beyond that which existed prior to the applicable **Cyber Incident**;
- ii. taxes, fines, penalties, amounts for injunctive relief, or sanctions;
- iii. the **Insured's** money or any money in the **Insured's** care, custody, or control; or
- iv. wages, salaries, or other compensation of directors, officers, similar executives, or employees of an **Organization**, or internal operating costs, expenses, or fees of any **Organization**.

Cyber Incident Response Team means **Pre-Approved Response Providers** who provide services as defined in **Cyber Incident Response Expenses**.

Damages means compensatory damages, any award of prejudgment or post-judgment interest, **Payment Card Loss, Regulatory Fines, Consumer Redress Fund**, settlements, and amounts which an **Insured** becomes legally obligated to pay on account of any **Claim**. **Damages** shall not include:

- 1. any amount for which an **Insured** is not financially liable or legally obligated to pay;
- 2. taxes, fines, penalties, or sanctions imposed directly against an **Insured**, except for **Payment Card Loss** or **Regulatory Fines** otherwise covered under Insuring Agreement E;
- 3. matters uninsurable under the laws pursuant to which this **Policy** is construed;
- 4. punitive or exemplary damages, or the multiple portion of any multiplied damage award, except to the extent that such punitive or exemplary damages, or multiplied portion of any multiplied damage award, are insurable under the applicable laws of any jurisdiction which most favors coverage for such damages and which has a substantial relationship to the **Insured**, **Insurer**, this **Policy**, or the **Claim** giving rise to such damages;
- 5. the cost to an **Insured** to comply with any injunctive, remedial, preventative, or other non-monetary or declaratory relief, including specific performance, or any agreement to provide such relief;
- 6. consideration owed or paid by or to an **Insured**, including any royalties, restitution, reduction, disgorgement, or return of any payment, charges, or fees; or costs to correct or re-perform services, including **Technology Services**, or **Technology Products**; or for the reprint, recall, or removal of **Technology Products** or **Media Content**;

7. liquidated damages pursuant to a contract, to the extent such amount exceeds the amount which the **Insured** would have been liable in the absence of such contract; or
8. penalties against an **Insured** of any nature, however denominated, arising by contract, except for **Payment Card Loss** otherwise covered under Insuring Agreement E.

Digital Data means software or other information in electronic form which is stored on an **Insured's Computer System** or **Shared Computer System**. Further, **Digital Data** shall include the capacity of an **Insured's Computer System** or **Shared Computer System** to store information, process information, and transmit information over the Internet. However, **Digital Data** shall not include or be considered tangible property.

Digital Data Recovery Costs means:

1. the reasonable and necessary costs incurred by an **Insured** to replace, restore, recreate, re-collect, or recover **Digital Data** from written records or from partially or fully matching electronic records due to their corruption, theft, or destruction, caused by a **Network Security Failure**, including disaster recovery or computer forensic investigation efforts. However, in the event that it is determined that the **Digital Data** cannot be replaced, restored, recreated, re-collected, or recovered, **Digital Data Recovery Costs** shall be limited to the reasonable and necessary costs incurred to reach such determination;
2. **Hardware Replacement Costs**;
3. **Betterment Costs**; or
4. **Invoice Fraud Financial Loss**.

However, **Digital Data Recovery Costs** shall not include:

- a. costs or expenses incurred to update, replace, upgrade, recreate, or improve **Digital Data** or a **Computer System** to a level beyond that which existed prior to the applicable **Cyber Incident**, except as otherwise covered under **Betterment Costs**;
- b. costs or expenses incurred to identify or remediate software program errors or vulnerabilities, except as otherwise covered under **Betterment Costs**;
- c. costs incurred to research and develop, or the economic or market value of, **Digital Data**, including **Trade Secrets**;
- d. wages, salaries, or other compensation of directors, officers, similar executives, or employees of an **Organization**, or internal operating costs, expenses, or fees of any **Organization**;
- e. expenses to purchase, lease, replace, or repair any physical hardware or equipment, except as otherwise covered under **Hardware Replacement Costs** or **Betterment Costs**; or
- f. any other consequential loss or damages.

Extortion Expenses means reasonable and necessary expenses incurred by an **Insured** resulting directly from a **Network Extortion Threat**, including money, cryptocurrencies (including Bitcoin), or other consideration surrendered as payment by an **Insured** to a natural person or group believed to be responsible for a **Network Extortion Threat**. **Extortion Expenses** shall also include reasonable and necessary expenses incurred to mitigate or reduce any of the foregoing expenses.

However, **Extortion Expenses** shall not include:

1. **Business Interruption Loss, Contingent Business Interruption Loss, Extra Expenses, or Digital Data Recovery Costs;**
2. wages, salaries, or other compensation of directors, officers, similar executives, or employees of an **Organization**, or internal operating costs, expenses, or fees of any **Organization**; or
3. expenses to purchase, lease, replace, or repair any physical hardware or equipment.

Extra Expenses means the reasonable and necessary:

1. expenses incurred by an **Insured** to mitigate, reduce, or avoid an **Interruption in Service**, provided they are in excess of expenses that an **Insured** would have incurred had there been no **Interruption in Service**;
2. expenses incurred by an **Insured** to reduce the **Period of Restoration**;
3. with the **Insurer's** prior consent, costs incurred by an **Insured** to retain the services of a third party forensic accounting firm to determine the amount of **Business Interruption Loss** or **Contingent Business Interruption Loss**; and
4. with the **Insurer's** prior consent, expenses incurred by an **Insured** to mitigate, reduce, or avoid **Business Interruption Loss** or **Contingent Business Interruption Loss**, provided that this amount shall not include any monetary profit for the **Insured**.

However, **Extra Expenses** shall not include:

- a. costs or expenses incurred to prevent a loss or correct any deficiencies or problems with an **Insured's Computer System** or **Shared Computer System** that may cause or contribute to a **Claim**;
- b. costs or expenses incurred to update, replace, upgrade, or improve any **Computer System** to a level beyond that which existed prior to the applicable **Interruption in Service**;
- c. penalties of any nature, however denominated, arising by contract; or
- d. any expenses to purchase, lease, replace, or repair any physical hardware or equipment.

Hardware Replacement Costs means the reasonable and necessary costs incurred by an **Insured** to repair or replace physical hardware or equipment that are part of an **Insured's Computer System**, which have been impaired electronically and cannot function as intended but for which there is no **Property Damage** (hereinafter "Impaired Hardware"), provided it has been determined by the **Insurer**, at its sole discretion:

1. to be more practical and cost-effective to replace such Impaired Hardware (or any component or part thereof) than to repair or restore it; or
2. that such Impaired Hardware is permanently vulnerable or unstable due to the corruption or impairment of firmware thereon.

Coverage for **Hardware Replacement Costs** shall be valued at the actual cost incurred by the **Insured** for the replacement of such Impaired Hardware with other physical hardware or equipment of like kind, quality, and function to that which existed prior to the applicable **Cyber Incident**.

Insured means:

1. the **Named Insured**;
2. any **Subsidiary** of the **Named Insured**, but only with respect to **Cyber Incidents** which occur while it is a **Subsidiary**;
3. any past, present, or future natural person principal, partner, officer, director, trustee, employee, leased employee, or temporary employee of an **Organization**, but only with respect to an **Cyber Incident** committed within the scope of such natural person's duties performed on behalf of such **Organization**;
4. any past, present, or future independent contractor of an **Organization** who is a natural person or single person entity, but only with respect to the commission of an **Cyber Incident** within the scope of such natural person's or single person entity's duties, performed on behalf of such **Organization**; or
5. any past, present, or future natural person intern or volunteer worker of an **Organization** and who is registered or recorded as an intern or volunteer worker with such **Organization**, but only with respect to an **Cyber Incident** committed within the scope of such natural person's duties performed on behalf of such **Organization**; or
6. solely with respect to Insuring Agreement A, any **Breach Response Indemnatee**, but only with respect to **Cyber Incident Response Expenses**:
 - a. arising out of any **Cyber Incident** as described under paragraph 1.b. of such definition which is committed after the **Organization** and the **Breach Response Indemnatee** entered into the written contract or agreement described in the definition of **Breach Response Indemnatee**;
 - b. arising out of such **Cyber Incident** committed by, on behalf of, or at the direction of the **Organization**;
 - c. that are subject to the applicable indemnification provisions of such written agreement or contract; and
 - d. that are subject to the lesser of the Limits of Liability required by such written agreement or contract between the **Organization** and the **Breach Response Indemnatee**, or the applicable Limits of Liability of this **Policy**.

However, no natural person or entity shall be a **Breach Response Indemnatee** with respect to any **Claim** arising solely out of such natural person's or entity's independent act, error, or omission. In the event of a disagreement between the **Named Insured** and the natural person or entity as to whether the **Claim** arises solely out of such natural person's or entity's independent act, error, or omission, it is agreed that the **Insurer** shall abide by the determination of the **Named Insured** on this issue, and such determination shall be made by the **Named Insured** within 20 days of the notification to the **Insurer** of the applicable **Claim**.

7. any natural person or entity for whom an **Organization** is required by written contract or agreement to provide insurance coverage under this Coverage Section ("**Additional Insured**"), but only with respect to **Claims**:
 - a. arising out of any **Technology Incident** committed after the **Organization** and the **Additional Insured** entered into such written contract or agreement;

- b. for any **Technology Incident** committed by, on behalf of, or at the direction of the **Organization**; and
- c. subject to the lesser of the limits of liability required by such written contract or agreement between the **Organization** and the **Additional Insured**, or the applicable Limits of Liability of this Coverage Section.

However, no natural person or entity shall be an **Additional Insured** with respect to any **Claim** arising solely out of such natural person's or entity's independent act, error, or omission. In the event of a disagreement between the **Named Insured** and the natural person or entity as to whether the **Claim** arises solely out of such natural person's or entity's independent act, error, or omission, it is agreed that the **Insurer** shall abide by the determination of the **Named Insured** on this issue, and such determination shall be made by the **Named Insured** within twenty 20 days of the notification to the **Insurer** of the applicable **Claim**.

Insured's Computer System means a **Computer System** leased, owned, or operated by an **Insured** or operated solely for the benefit of an **Insured** by a third party under written agreement or contract with an **Insured**.

Interrelated Incidents means all **Incidents** that have as a common nexus any act, fact, circumstance, situation, event, transaction, cause, or series of related acts, facts, circumstances, situations, events, transactions, or causes.

Interruption in Service means a detectable interruption or degradation in service of:

- 1. with respect to Insuring Agreement B1, an **Insured's Computer System**; or
- 2. with respect to Insuring Agreement B2, a **Shared Computer System**,

resulting from a **Malicious Computer Act**, **Non-Malicious Computer Act**, or **Preventative Shutdown**.

Invoice Fraud Financial Loss means the total amount of uncollectable accounts receivable for which the **Organization** is unable to collect payment, solely as a result of:

- 1. the fraudulent infiltration and manipulation of an **Insured's Computer System** or **Shared Computer System** from a remote location; followed by
- 2. the release or distribution of any fraudulent invoice or fraudulent payment instructions to a third party, by the actor responsible for such infiltration or manipulation, for actual amounts owed by such third party for products or services provided by an **Insured**; followed by
- 3. such third party actually sending payment to such actor prior to, or within forty-eight 48 continuous hours of, any **Insured** first discovering that any fraudulent invoices or fraudulent payment instructions were being released or distributed to any third parties purportedly on the **Insured's** behalf; followed by
- 4. the exhaustion of all reasonable efforts by the **Insured** to recover such payment, including seeking the third party's assistance in such efforts; provided, however, the **Insured** shall not be required to file or threaten suit against the third party for purposes of this numbered paragraph 4.

Provided that, if such uncollectable accounts receivable are associated with products or services provided by the **Insured**, then **Invoice Fraud Financial Loss** shall be limited to the **Insured's** variable input costs associated with the provision of such products or services, and therefore shall not include any gross profit margin associated with such products or services.

However, **Invoice Fraud Financial Loss** shall not include any loss of profit, or profit margin, associated with the products or services for which the **Organization** was unable to collect payment from the third party.

Limited Impact Event means a **Cyber Incident** that does not arise from a **Widespread Trigger**.

Limited Impact Group means, collectively:

1. any **Insured** under this **Policy**, except **Additional Insureds**;
2. any person or entity, including any **Additional Insured**, which has a direct business relationship with an **Organization** (a "Relationship"), and:
 - a. is consequently affected by the **Cyber Incident** due solely to such Relationship; or
 - b. through which a **Cyber Incident** consequently arises due solely to such Relationship;
3. any other person or entity which is consequently affected by the **Cyber Incident** due solely to a direct or indirect business relationship with a person or entity described in sub-paragraph 2.a. immediately above; and
4. solely with respect to Insuring Agreements A and E, any "Impacted Party," meaning any person or entity, which has a direct business relationship with a third party data custodian, and where such data custodian experiences a **Custodian Breach**, provided that:
 - a. such **Custodian Breach** results in:
 - i. a **Breach Disclosure Incident**; and
 - ii. such Impacted Party to incur similar notification expenses in order to comply with **Privacy or Cyber Laws**; and
 - b. the act, error, omission, or failure, or interdependent series of acts, errors, omissions, or failures that constitutes or causes such **Custodian Breach** does not also cause additional data breaches of other third parties beyond any Impacted Party.

Malicious Computer Act means malicious or fraudulent:

1. unauthorized access to or use of a **Computer System**;
2. alteration, corruption, damage, manipulation, misappropriation, theft, deletion, or destruction of **Digital Data**;
3. creation, transmission, or introduction of a computer virus or harmful code; or
4. restriction or inhibition of access, including denial of service attacks, upon or directed against a **Computer System**.

Media Content means any data, text, sounds, images, graphics, music, photographs, or advertisements, and shall include video, streaming content, webcasts, podcasts, blogs, online forums, and chat rooms. However, **Media Content** shall not include computer software, software technology, or the actual goods, products, or services described, illustrated, or displayed in such **Media Content**.

Media Incident means any error, misstatement, misleading statement, act, omission, neglect, or breach of duty actually or allegedly committed or attempted by any **Insured**, or by any person or entity for whom an **Insured** is legally responsible, in the public display of:

1. **Media Content** on an **Insured's** website or printed material; or
2. **Media Content** posted by or on behalf of an **Insured** on any social media site or anywhere on the Internet, which results in the following:
 - a. copyright infringement, passing-off, plagiarism, piracy, or misappropriation of property rights;
 - b. infringement or dilution of title, logo, slogan, domain name, metatag, trademark, trade name, service mark, or service name;
 - c. defamation, libel, slander, or any other form of defamation or harm to the character, reputation, or feelings of any person or entity, including product disparagement, trade libel, outrage, infliction of emotional distress, or *Prima Facie* Tort;
 - d. invasion or infringement of the right of privacy or publicity, including the torts of intrusion upon seclusion, publication of private facts, false light, or misappropriation of name or likeness;
 - e. false arrest, detention or imprisonment, harassment, trespass, wrongful entry or eviction, eavesdropping, or other invasion of the right of private occupancy;
 - f. improper deep linking or framing; or
 - g. unfair competition or unfair trade practices, including misrepresentations in advertising, solely when alleged in conjunction with the alleged conduct referenced in items a–f immediately above.

Network Extortion Threat means any credible threat or series of related threats directed at an **Insured** to:

1. release, divulge, disseminate, or use **Protected Information**, or confidential corporate information of an **Insured**, as a result of the unauthorized access to or unauthorized use of an **Insured's Computer System** or **Shared Computer System**;
2. cause a **Network Security Failure**;
3. alter, corrupt, damage, manipulate, misappropriate, encrypt, delete, or destroy **Digital Data**; or
4. restrict or inhibit access to an **Insured's Computer System** or **Shared Computer System**,

where a demand is made for the **Insured** to make a payment or a series of payments, or otherwise meet a demand, in exchange for the mitigation or removal of such threat or series of related threats.

Further, **Network Extortion Threat** shall include a threat or series of related threats connected to any of the acts above that have already commenced.

Network Security means those activities performed by an **Insured**, or by others on behalf of an **Insured**, to protect an **Insured's Computer System** or **Shared Computer System**.

Network Security Failure means a failure in **Network Security**, including the failure to prevent a **Malicious Computer Act**.

Non-Malicious Computer Act means:

1. human operating error or omission, including the choice of the program used, an error in setting parameters, or any inappropriate single intervention by an employee or a third party providing services to an **Insured**;
2. programming error that occurs during the development or encoding of a program, application, or operating system that would, once in operation, result in the malfunction of the computer system, an interruption of operations, or an incorrect result; provided that any such error pertaining to the integration, installation, upgrade, or patching of any software, hardware, or firmware of an **Insured's Computer System** arises from a program which the **Insured** can demonstrate has been fully developed, successfully tested, and proved successful in its operational environment for at least thirty (30) days; or
3. power failure, surge, or diminution of an electrical system controlled by an **Insured**, and not arising from **Property Damage**.

Non-Panel Response Provider means any firm providing the services shown in the definition of **Cyber Incident Response Expenses** to an **Insured** that is not a **Pre-Approved Response Provider**.

Notice Group Member means, as applicable, an **Organization's** Chief Executive Officer, Chief Financial Officer, Chief Information Officer, Chief Information Security Officer, Chief Privacy Officer, Chief Technology Officer, General Counsel, or Risk Manager, or the organizational or functional equivalent of such positions.

Observation Period means the continuous period of time that begins on the date which immediately follows the last date of the **Period of Restoration**, and continues for the lesser of:

1. the number of days shown in the Cyber Coverage Section portion of Item 4 of the Declarations as the maximum **Period of Restoration** applicable to Insuring Agreements B1 or B3, regardless of when the **Period of Restoration** actually ends; or
2. ninety (90) days.

For purposes of calculating the continuous period of time, the date that immediately follows the **Period of Restoration** is considered day 1.

Payment Card means an authorized account, or evidence of an account, for a credit card, debit card, charge card, fleet card, or stored value card between the **Payment Card Brand** and its customer.

Payment Card Brand means any payment provider whose payment method is accepted for processing, including Visa Inc. International, MasterCard Worldwide, Discover Financial Services, American Express Company, and JCB International.

Payment Card Industry Data Security Standards means the rules, regulations, standards, or guidelines adopted or required by the **Payment Card Brand** or the Payment Card Industry Data Security Standards Council relating to data security and the safeguarding, disclosure, and handling of **Protected Information**.

Payment Card Loss means monetary assessments, fines, penalties, chargebacks, reimbursements, and fraud recoveries, including card reissuance costs, which an **Insured** becomes legally obligated to pay as a result of an **Insured's**:

1. **Network Security Failure**; or
2. actual or alleged failure to properly protect, handle, manage, store, destroy, or otherwise control **Payment Card** data, including **Protected Information**,

where such amount is determined pursuant to a payment card processing agreement between an **Organization** and a **Payment Card Brand**, or a merchant agreement between an **Organization** and a payment services provider, including for mobile payment services, or demanded in writing from an issuing or acquiring bank that processes **Payment Card** transactions, due to an **Insured's** actual or alleged non-compliance with applicable **Payment Card Industry Data Security Standards**, EMV specifications, or mobile payment security requirements. However, **Payment Card Loss** shall not include:

- a. subsequent fines or assessments for non-compliance with the **Payment Card Industry Data Security Standards**, EMV Specifications, or a mobile payment services merchant agreement unrelated to a specific **Claim**; or
- b. costs or expenses incurred to update or improve privacy or network security controls, policies, or procedures to a level beyond that which existed prior to the applicable **Cyber Incident** or to be compliant with applicable **Payment Card Industry Data Security Standards**, EMV Specifications, or a mobile payment services merchant agreement.

Period of Restoration means the continuous period of time that:

1. with respect to Insuring Agreement B1, begins with the earliest date of an **Interruption in Service** or **Telecom Theft**, and ends on the earlier of:
 - a. if there is no **Customer Attrition Loss**, the date when an **Insured's Computer System** is or could have been repaired or restored with reasonable speed to the same functionality and level of service that existed prior to the **Interruption in Service** or **Telecom Theft**;
 - b. if there is **Customer Attrition Loss**, the earliest date that the **Insured's** customer counts and seasonally-adjusted daily revenue amounts recover to the same level that would have existed had there been no **Interruption in Service**, so long as such recovery is subsequently sustained on an average daily basis over the course of at least ten (10) business days. Such ten-day period shall not be considered part of the **Period of Restoration**; or
 - c. the date on which the applicable number of days, as shown in Item 4B1 of the Cyber Coverage Section portion of the Declarations, have elapsed.
2. with respect to Insuring Agreement B2, begins with the earliest date of an **Interruption in Service** or **Telecom Theft**, and ends on the earlier of:
 - a. the date when a **Shared Computer System** is or could have been repaired or restored with reasonable speed to the same functionality and level of service that existed prior to the **Interruption in Service** or **Telecom Theft**; or
 - b. the date on which the applicable number of days, as shown in Item 4B2 of the Cyber Coverage Section portion of the Declarations, have elapsed.
3. with respect to Insuring Agreement B3, begins with the earlier of:
 - a. the first date on which the **Insured's Cyber Incident**, as defined in paragraph 1.b. of such definition, is publicly disclosed or reported; or
 - b. the date when the **Insured** first sends written notification to those natural persons whose **Protected Information** was wrongfully disclosed or otherwise compromised as a result of such **Cyber Incident**;

and ends on the earlier of:

- a. the earliest date that the **Insured's** customer counts and seasonally-adjusted daily revenue amounts recover to the same level that would have existed had there been no **Reputational Event**, so long as such recovery is subsequently sustained on an average daily basis over the course of at least ten (10) business days. Such ten-day period shall not be considered part of the **Period of Restoration**; or
- b. the date on which the applicable number of days, as shown in Item 4B3 of the Cyber Coverage Section portion of the Declarations, have elapsed.

Pre-Approved Response Provider means any firm listed on the **Insurer's** pre-approved response provider list available on request from the **Insurer** or on the pre-approved response provider list specified on the website shown in Item 6 of the Declarations.

Preventative Shutdown means an **Insured's** reasonable and necessary intentional shutdown of:

1. with respect to Insuring Agreement B1, an **Insured's Computer System**, but only to the extent that such shutdown:
 - a. is in response to an actual or credible threat of a **Malicious Computer Act** expressly directed against such **Insured's Computer System** which may reasonably be expected to cause an **Interruption in Service** in the absence of such shutdown; and
 - b. serves to mitigate, reduce, or avoid **Business Interruption Loss** as a result of the actual or credible threat of such **Malicious Computer Act**; or
2. with respect to Insuring Agreement B2, the **Insured's** access or connectivity to a **Shared Computer System**, but only to the extent that such shutdown:
 - a. is in response to an actual **Malicious Computer Act** against such **Shared Computer System** which may reasonably be expected to cause an **Interruption in Service** in the absence of such shutdown; and
 - b. serves to mitigate, reduce, or avoid **Contingent Business Interruption Loss** as a result of such **Malicious Computer Act**.

Profit means the operating profit or loss resulting from the **Insured's** business after deductions have been made for all fixed charges. Such fixed charges shall include the **Insured's** continuing operating and payroll expenses, considering any cost savings.

Regulatory Fines means any civil monetary fine or penalty imposed by or on behalf of a federal, state, local, or foreign governmental entity, regulatory authority, or data protection authority, in such entity's regulatory or official capacity as a result of a **Regulatory Proceeding**, to the extent that such fines and penalties are insurable under the applicable laws of any jurisdiction which most favors coverage for such fines and penalties and which has a substantial relationship to the **Insured**, **Insurer**, this **Policy**, or the **Claim** giving rise to such damages. However, **Regulatory Fines** shall not include any civil monetary fines or penalties that are not insurable by law, criminal fines, disgorgement, or the multiple portion of any multiplied damage award.

Regulatory Proceeding means a suit, civil investigation, or civil proceeding by or on behalf of a government agency, government licensing entity, regulatory authority, or data protection authority, commenced by the service of a complaint, notice, similar pleading, subpoena, civil investigative demand, or similar investigatory instrument or similar pleading based on an alleged or potential violation of **Privacy or Cyber Laws** as a result of a **Cyber Incident**, and which may reasonably be expected to give rise to a **Claim** under Insuring Agreement E.

Reputational Event means a **Cyber Incident**, as defined in paragraph 1.b. of such definition, followed by written notification by the **Insured** to those natural persons whose **Protected Information** was wrongfully disclosed or otherwise compromised as a result of such **Cyber Incident**, but only if such notification by the **Insured** was:

1. required to comply with **Privacy or Cyber Laws**; or
2. made with the **Insurer's** prior consent.

Shared Computer System means a **Computer System**, other than an **Insured's Computer System**, operated for the benefit of an **Insured** by a third party under written agreement or contract with an **Insured** to provide data hosting, cloud services or computing, co-location, data back-up, data storage, data processing, platforms-as-a-service, software-as-a-service, infrastructure-as-a-service, or any similar type of outsourced computing services. However, **Shared Computer System** shall not include **Infrastructure**.

Technology Incident means any error, misstatement, misleading statement, act, omission, neglect, or breach of duty, including **Personal Injury**, actually or allegedly committed or attempted by any **Insured**, or by any person or entity for whom an **Insured** is legally responsible, in the: (i) rendering of or failure to render **Technology Services** to others, or (ii) the failure of **Technology Products** to perform the function or serve the purpose intended.

Technology Products means communication, computer, data security, electronic, Internet, network or website:

1. hardware, equipment, parts, or peripherals; or
2. software, programs, or systems, and the data residing therein;

designed, created, developed, assembled, manufactured, handled, installed, disposed of, leased or licensed for or to others, sold, or distributed by or on behalf of an **Insured**, including repair or maintenance thereof.

Technology Services means:

1. computer, electronics, information technology, Internet, network, or website analysis, consulting, architecture, design, development, staffing, programming, installation, integration, networking, hosting, processing, management, operations, data security, maintenance, repair, optimization, support, or training;
2. providing, collecting, recording, caching, compiling, mining, analyzing, storing, hosting, processing, securing, backup, wiping, or destruction of software or data;
3. telecommunications services including Internet, voice, video, web, email, text, data, or broadband services, including related call center and customer service support;
4. services similar to the foregoing; or,
5. any other information technology-related services provided in conjunction with **Technology Products**.

Telecom Theft means the fraudulent infiltration and manipulation of:

1. with respect to Insuring Agreement B1, an **Insured's Computer System**; or
2. with respect to Insuring Agreement B2, a **Shared Computer System**,

to gain access to outbound long distance telephone service, data transmission capacity, or computer processing resources, including for the purpose of cryptocurrency mining or botnet control.

Telecom Theft Loss means telephone, energy, or data usage charges billed to an **Insured** by the provider of such services, other than charges which an **Insured**:

1. would owe in the absence of any **Telecom Theft**, including any fixed periodic charges that do not increase with variable usage; or
2. cannot substantiate with usage and billing documentation produced by the provider of such services.

Telephone System means PBX, CBX, Merlin, VoIP, remote access (including DISA), and all related peripheral equipment or similar systems owned or leased by an **Insured** for purposes of voice-based telecommunications.

Trade Secret means information, including a formula, pattern, compilation, program, device, method, technique, or process, that derives actual or potential economic value from not being generally known to or readily ascertainable by other persons who can obtain value from its disclosure or use, so long as reasonable efforts have been made to maintain its secrecy.

Waiting Period means the number of hours shown in the Cyber Coverage Section portion of Item 4 of the Declarations.

Widespread Event means a **Cyber Incident** arising from a **Widespread Trigger**.

Widespread Severe Known Vulnerability Exploit means a **Widespread Trigger** involving the exploitation of a vulnerability in software, which as of the first known date of such exploitation is:

1. listed as a Common Vulnerability and Exposure (CVE) in the National Vulnerability Database operated by the National Institute of Standards and Technology; and
2. assigned a Base Score or Overall Score of 8.0 or greater according to the Common Vulnerability Scoring System (CVSS) version 2.0 or later.

Widespread Severe Zero Day Exploit means a **Widespread Trigger** involving the exploitation of a vulnerability in software, other than a **Widespread Severe Known Vulnerability Exploit**, which within 45 days of an associated **Cyber Incident** being reported to the **Insurer**:

1. becomes listed as a Common Vulnerability and Exposure (CVE) in the National Vulnerability Database operated by the National Institute of Standards and Technology; and
2. is assigned a Base Score or Overall Score of 8.0 or greater according to the Common Vulnerability Scoring System (CVSS) version 2.0 or later.

Widespread Software Supply Chain Exploit means a **Widespread Trigger** involving the introduction of malware, a backdoor, or other vulnerabilities into an **Insured's Computer System** or **Shared Computer System**, via malicious insertion of source code into software which is:

1. distributed to multiple customers of the software developer;
2. not custom-developed specifically for any single customer, including an **Insured**; and
3. designated as trusted by a digital certificate, such as a Software Publisher Certificate (SPC).

Widespread Trigger means:

1. a single act or interdependent series of acts committed by an actor or coordinated actors who are outside of the **Organization**; or

2. a single error, omission, or failure, or interdependent series of errors, omissions, or failures, of a person or **Computer System** which is outside of the **Organization**,

which constitutes or causes both a **Cyber Incident** and an incident within a **Computer System** of any person or entity outside of the **Limited Impact Group**.

However, **Widespread Trigger** shall not include an act or interdependent series of acts which requires subsequent intervening deceitful manipulation of the actions of an **Authorized User** in order to constitute or cause the **Cyber Incident**.

III. EXCLUSIONS

A. EXCLUSIONS APPLICABLE TO ALL INSURING AGREEMENTS

The **Insurer** shall not be liable for **Costs, Damages, or Claims Expenses** on account of any **Cyber Incident, Media Incident, Technology Incident** or any **Claim**:

1. Conduct

alleging, based upon, arising out of, or attributable to:

- a. any fraudulent, criminal, malicious, or intentional act, error or omission, or any intentional or knowing violation of the law by an **Insured**; or
- b. the gaining in fact of any profit, remuneration, or financial advantage to which any **Insured** was not legally entitled.

However, this exclusion shall not apply to **Claims Expenses** or the **Insurer's** duty to defend any such **Claim**, until there is a final, non-appealable adjudication in any underlying proceeding or action against the **Insured** as to such conduct or violation, at which time the **Insured** shall reimburse the **Insurer** for any **Claims Expenses** paid by the **Insurer**. Provided that:

- i. no conduct pertaining to any natural person **Insured** shall be imputed to any other natural person **Insured**; and
- ii. any conduct pertaining to any past, present, or future **Control Group Member**, other than a Rogue Actor, shall be imputed to an **Organization**. For purposes of this exclusion, "Rogue Actor" means a **Control Group Member** acting outside his or her capacity as such.

2. Prior Knowledge

alleging, based upon, arising out of, or attributable to any **Cyber Incident Media Incident, or Technology Incident** that first occurred, arose, or took place prior to the earlier of the effective date of this **Policy**, or the effective date of any policy or Coverage Section issued by the **Insurer** of which this **Policy** is a continuous renewal or a replacement, and any **Control Group Member** knew of such **Cyber Incident Media Incident, or Technology Incident**; and, with respect to Insuring Agreements E, F, and T, any **Control Group Member** reasonably could have foreseen that such **Incident** did or could lead to a **Claim**.

3. Pending or Prior Proceedings

alleging, based upon, arising out of, or attributable to:

- a. any pending or prior litigation, **Claim**, written demand, arbitration, administrative or regulatory proceeding, or administrative or regulatory investigation filed or commenced against an **Insured** on or before the applicable Pending or Prior Proceedings Date shown in the Cyber Coverage Section portion of Item 4 of the Declarations, or alleging or derived from the same or substantially the same fact, circumstance, or situation underlying or alleged therein; or
- b. any other **Incident** whenever occurring which, together with an **Incident** underlying or alleged in any pending or prior litigation, **Claim**, written demand, arbitration, administrative or regulatory proceeding, or administrative or regulatory investigation as set forth pursuant to paragraph a. immediately above, would constitute **Interrelated Incidents**.

4. Prior Notice

alleging, based upon, arising out of, or attributable to:

- a. any **Incident**, fact, circumstance, or situation which has been the subject of any written notice given and accepted under any other policy or Coverage Section of which this **Policy** is a direct or indirect renewal or replacement; or
- b. any other **Incident** whenever occurring which, together with an **Incident** which has been the subject of such notice pursuant to paragraph a. immediately above, would constitute **Interrelated Incidents**.

5. Bodily Injury

for any **Bodily Injury**. However, solely with respect to Insuring Agreements E and F, this exclusion shall not apply to mental injury, mental anguish, mental tension, emotional distress, pain and suffering, or shock resulting from a **Cyber Incident** or **Media Incident**.

6. Property Damage

- a. solely with respect to Insuring Agreement T, for **Property Damage**; and
- b. solely with respect to Insuring Agreements A-F, alleging, based upon, arising out of, or attributable to **Property Damage**.

7. Pollution

alleging, based upon, arising out of, or attributable to the actual, alleged, or threatened discharge, release, escape, seepage, migration, or disposal of **Pollutants**, or any direction or request that any **Insured** test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize **Pollutants**, or any voluntary decision to do so.

8. Infrastructure Outage

alleging, based upon, arising out of, or attributable to any failure, interruption, disturbance, degradation, corruption, impairment, or outage of **Infrastructure**.

However, this exclusion shall not apply to any **Limited Impact Event**. Additionally, this exclusion shall not apply to Insuring Agreement T.

9. War

alleging, based upon, arising out of, or attributable to:

- a. any **Malicious Computer Act** or any hostile event or act, or series of similar or related events or acts (each a “Hostile Act”), committed or made, in whole or in part, by or on behalf of a sovereign State or state-sponsored actor or group (each a “Belligerent”) that results in or is cited as a reason in a formal declaration of war by the U.S. Congress or responsible governmental body of any other sovereign State (each a “Governmental Authority”) against a sovereign State;
- b. any **Malicious Computer Act** committed or made, in whole or in part, by or on behalf of a Belligerent that results in the U.S. President or any Governmental Authority ordering actions that constitute the use of force against a sovereign State;
- c. any **Malicious Computer Act** committed or made, in whole or in part, by or on behalf of a Belligerent that results in or is cited as a reason in a resolution or other formal action by the United Nations Security Council authorizing the use of force or economic sanctions against a sovereign State, or that results in the use of force by the North Atlantic Treaty Organization or any other equivalent international intergovernmental military or political alliance, against a sovereign State;
- d. any Hostile Act or **Malicious Computer Act** committed by a Belligerent subsequent to any Hostile Act or **Malicious Computer Act** described in paragraphs a-c immediately above, which together with a Hostile Act or **Malicious Computer Act** described in paragraphs a-c immediately above, has as a common nexus any act, fact, circumstance, situation, event, transaction, cause, or series of related acts, facts, circumstances, situations, events, transactions, or causes; or
- e. civil war, rebellion, revolution, or insurrection.

10. Nuclear

alleging, based upon, arising out of, or attributable to the planning, construction, maintenance, operation, or use of any nuclear reactor, nuclear waste, storage or disposal site, or any other nuclear facility, the transportation of nuclear material, or any nuclear reaction or radiation, or radioactive contamination, regardless of its cause.

11. Contract

for breach of any express, implied, actual, or constructive contract, warranty, guarantee, or promise, or for any actual or alleged liability assumed by an **Insured** under contract; unless such liability would have attached to the **Insured** even in the absence of such contract, warranty, guarantee, or promise. However, this exclusion shall not apply to:

- a. the actual or alleged disclosure or theft of **Protected Information** resulting from a **Network Security Failure**;
- b. an unintentional violation by an **Insured** to comply with an **Organization’s** Privacy Policy;
- c. solely with respect to Insuring Agreement E, **Payment Card Loss**;
- d. solely with respect to Insuring Agreement F, misappropriation of idea under implied contract; or

- e. solely with respect to Insuring Agreement T, that part of a **Claim** alleging the unintentional failure to perform **Technology Services** or provide **Technology Products** with a reasonable standard of care and consistent with industry standards;

12. Fees or Chargebacks

alleging, based upon, arising out of, or attributable to:

- a. any fees, expenses, or costs paid to or charged by an **Insured**; or
- b. chargebacks, chargeback fees, interchange fees or rates, transfer fees, transaction fees, discount fees, merchant service fees, or prospective service fees.

However, solely with respect to Insuring Agreement E, this exclusion shall not apply to **Payment Card Loss**. Additionally, solely with respect to Insuring Agreement T, paragraph b. of this exclusion, immediately above, shall not apply to the extent such amounts constitute otherwise covered **Damages**.

13. Intellectual Property

alleging, based upon, arising out of, or attributable to any infringement of, violation of, misappropriation of, or assertion of any right to or interest in a patent, any copyright, service mark, trade name, trademark, patent, or **Trade Secret** by or on behalf of any **Insured**. However, this exclusion shall not apply to:

- a. solely with respect to Insuring Agreements A-D, the actual or alleged theft of a third party's **Trade Secret** resulting from a **Cyber Incident**; provided, however, this exclusion shall still nevertheless apply to any **Costs, Damages, or Claims Expenses** on account of any **Cyber Incident** or **Claim** for the economic or market value of **Trade Secrets**;
- b. solely with respect to Insuring Agreement E, any **Claim** alleging, based upon, arising out of, or attributable to the actual or alleged disclosure or theft of **Protected Information** resulting from a **Network Security Failure**;
- c. solely with respect to Insuring Agreement F, any **Claim** alleging, based upon, arising out of, or attributable to any infringement of, violation of, misappropriation of, or assertion of any right to or interest in, any copyright, service mark, trade name, or trademark; or
- d. solely with respect to Insuring Agreement T, any **Claim** brought by any client or customer of an **Insured** for loss of use of **Technology Services** or **Technology Products**, arising from an action by a party other than such client or customer alleging software copyright infringement;

14. Antitrust or Unfair Trade Practices

alleging, based upon, arising out of, or attributable to any price fixing, restraint of trade, monopolization, interference with economic relations (including interference with contractual relations or with prospective advantage), unfair competition, unfair business practices, or unfair trade practices, or any violation of the Federal Trade Commission Act, the Sherman Anti-Trust Act, the Clayton Act, or any other federal statutory provision involving anti-trust, monopoly, price fixing, price discrimination, predatory pricing, restraint of trade, unfair competition, unfair business practices, or unfair trade practices, and any amendments thereto or any rules or regulations promulgated thereunder, amendments thereof, or any similar federal, state, or common law anywhere in the world.

However, this exclusion shall not apply to:

- a. solely with respect to Insuring Agreement E, a **Claim** resulting directly from a violation of **Privacy or Cyber Laws**; or
- b. solely with respect to Insuring Agreement F, a **Claim** for a **Media Incident** as defined in paragraph g. of such definition.

15. Consumer Credit, Debt, and Lending Laws

alleging, based upon, arising out of, or attributable to any violation by an **Insured** of the Truth in Lending Act, the Fair Debt Collection Practices Act, the Fair Credit Reporting Act, or the Fair and Accurate Credit Transactions Act, and any amendments thereto or any rules or regulations promulgated thereunder, amendments thereof, or any similar federal, state, or common law anywhere in the world. However, solely with respect to Insuring Agreements A and E, this exclusion shall not apply to a **Claim** arising out of the actual or alleged disclosure or theft of **Protected Information** resulting from a **Network Security Failure**.

16. Securities Law Violation

alleging, based upon, arising out of, or attributable to an **Insured's** violation of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Company Act of 1940, the Investment Advisors Act, or any other federal, state, or local securities law, and any amendments thereto or any rules or regulations promulgated thereunder, amendments thereof, or any similar federal, state, or common law anywhere in the world.

17. Discrimination or Employment Practices

alleging, based upon, arising out of, or attributable to any illegal discrimination of any kind, or any employment relationship, or the nature, terms or conditions of employment, including claims for workplace torts, wrongful termination, dismissal or discharge, or any discrimination, harassment, breach of employment contract, or defamation. However, solely with respect to Insuring Agreement E, this exclusion shall not apply to that part of any **Claim** alleging employee-related invasion of privacy or employee-related wrongful infliction of emotional distress in the event such **Claim** arises out of the actual or alleged disclosure or theft of **Protected Information** resulting from or resulting in a **Cyber Incident**.

18. Unsolicited Communications

alleging, based upon, arising out of, or attributable to any unsolicited electronic dissemination of faxes, e-mails, or other communications by or on behalf of an **Insured**, including actions brought under the Telephone Consumer Protection Act, any federal or state anti-spam statutes, or any other federal or state statute, law, rule, regulation, or common law anywhere in the world relating to a person's or entity's right of seclusion. However, solely with respect to Insuring Agreement E, this exclusion shall not apply to a **Claim** resulting directly from a **Cyber Incident** as defined under subparagraphs 1(a) of such definition.

19. Intentional Unlawful Collection or Use of Protected Information

alleging, based upon, arising out of, or attributable to:

- a. the intentional unlawful collection or intentional unlawful use of **Protected Information**; or

- b. the failure to provide adequate notice that **Protected Information** is being collected or used, by an **Insured**,

with knowledge of any **Control Group Member** at the time of the **Cyber Incident**, **Media Incident** or **Technology Incident**.

20. Communications Decency

alleging, based upon, arising out of, or attributable to the failure of any **Insured**, or others for whom an **Insured** is legally responsible, to prevent the publication or dissemination of **Indecent Content**.

21. Recall, Repair, Replace

alleging, based upon, arising out of, or attributable to any costs or expenses incurred by any **Insured** or others to recall, repair, replace, upgrade, supplement, or remove the **Insured's** products, including products which incorporate the **Insured's** products or services. However, solely with respect to Insuring Agreement T, this exclusion shall not apply to any **Claim** brought by a third party for loss of use of **Technology Services** or **Technology Products** or any products that incorporate **Technology Services** or **Technology Products**.

B. EXCLUSIONS APPLICABLE TO SPECIFIC INSURING AGREEMENTS

In addition to the Exclusions in Section IIIA above, the **Insurer** shall not be liable for **Costs**, **Damages**, or **Claims Expenses** on account of any **Cyber Incident**, **Media Incident**, or **Technology Incident** or any **Claim**:

1. Force Majeure

solely with respect to Insuring Agreements B and C, alleging, based upon, arising out of, or attributable to fire, smoke, explosion, lightning, wind, flood, earthquake, volcanic eruption, electromagnetic pulse or radiation, tidal wave, landslide, hail, act of God (which does not include acts by actors purporting to be God), nature, or any other physical event, however caused and whether contributed to, made worse by, or in any way resulting from any such events. This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently with or in any sequence to the **Costs**, **Damages**, or **Claims Expenses** on account of any **Cyber Incident**, **Media Incident**, or **Technology Incident** or any **Claim**.

2. Governmental Authority

solely with respect to Insuring Agreements B, C, and D, alleging, based upon, arising out of, or attributable to any public or governmental authority, foreign enemy, military, or usurped power:

- a. seizing or confiscating an **Insured's Computer System**, a **Shared Computer System**, or an **Insured's Digital Data**; or
- b. mandating the restriction of operations, closure, or shutdown of (i) any entity or person operating a **Computer System** or (ii) any **Computer System**;

provided, however, this exclusion shall not apply to any such actions of a government directed solely against the **Insured's Computer System** in response to a **Malicious Computer Act** also directed solely against such **Insured's Computer System**.

3. Insured v. Insured

solely with respect to Insuring Agreements E, F, and T brought or maintained by, on behalf of, or in the right of any **Insured**, other than an **Additional Insured** as defined under subparagraph 7 of the definition of **Insured**. Provided, however, solely with respect to Insuring Agreement E, this exclusion shall not apply to that part of any **Claim** alleging employee-related invasion of privacy or employee-related wrongful infliction of emotional distress in the event such **Claim** arises out of the actual or alleged disclosure or theft of **Protected Information** resulting from a **Cyber Incident**.

4. Inaccurate Prices, Costs or Estimates

solely with respect to Insuring Agreements E, F, and T alleging, based upon, arising out of, or attributable to the **Insured's** cost guarantees, cost representations, contract price, pricing guarantees, or estimates of probable costs or cost estimates being exceeded, or any guarantee or promise of cost savings, return on investment, or profitability.

5. False Claims Act

solely with respect to Insuring Agreements E, F and T alleging, based upon, arising out of, or attributable to any actual or alleged violation by the **Insured** of the False Claims Act (31 U.S.C. §§ 3729-3733), and amendments thereto or any rules or regulations promulgated thereunder, amendments thereof, or any similar federal, state, or common law anywhere in the world.

6. Governmental, Regulatory, or Licensing Entities

solely with respect to Insuring Agreements F and T, brought by or on behalf of any federal, state, or local governmental or public entity, agency, or authority, including the Federal Trade Commission or the Federal Communications Commission (a "Governmental Body"), or any publishing or licensing rights entity, including ASCAP, SESAC, or BMI, in such entity's regulatory, quasi-regulatory, or official capacity, function, or duty. However, this exclusion shall not apply to a **Claim** for a **Technology Incident** brought by a Governmental Body or entity above solely in its capacity as a client or customer of an **Insured**.

7. False Advertising or Misrepresentation

solely with respect to Insuring Agreements F and T, alleging, based upon, arising out of, or attributable to false or deceptive advertising or promotion, any unfair or deceptive trade practices with respect to the advertising or sale of any goods, products, or services, any inaccurate, inadequate, or incomplete description of the price of goods, products, or services, disclosure of fees, representations with respect to authenticity of any product, or the failure of any goods, products, or services to conform with advertised quality or performance.

8. Contest or Game of Chance

solely with respect to Insuring Agreements F and T, alleging, based upon, arising out of, or attributable to any gambling, contest, game of chance or skill, lottery, or promotional game, including tickets or coupons or over-redemption related thereto.

9. ERISA Violation

solely with respect to Insuring Agreement F, alleging, based upon, arising out of, or attributable to any violation of the responsibilities, obligations, or duties imposed by **ERISA**.

IV. LIMITS OF LIABILITY

Regardless of the number of Insuring Agreements or Coverage Extensions purchased under this Coverage Section, or the number of **Cyber Incidents, Media Incidents or Technology Incidents, Insureds** against whom **Claims** are brought, **Claims** made, or persons or entities making **Claims**:

A. LIMITS OF LIABILITY FOR LIMITED IMPACT EVENTS AND WIDESPREAD EVENTS

1. The **Insurer's** maximum Limit of Liability for each **Cyber Incident** and all **Cyber Incidents** in the aggregate which constitute a **Limited Impact Event** under any one Insuring Agreement or Coverage Extension shall be the applicable Limit of Liability for such Insuring Agreement or Coverage Extension shown in the Cyber Coverage Section portion of Item 4 of the Declarations.
2. The **Insurer's** maximum Limit of Liability for each **Cyber Incident** and all **Cyber Incidents** in the aggregate which constitute a **Widespread Event** shall be the applicable **Widespread Event** Limit of Liability shown in the Cyber Coverage Section portion of Item 4 of the Declarations.
3. The **Widespread Event** Limits of Liability shall be part of, and not in addition to, the applicable **Limited Impact Event** Limit of Liability shown in the Cyber Coverage Section portion of Item 4 of the Declarations, and shall never serve to increase such Limits of Liability, or add coverage under any Insuring Agreement for which no Limit of Liability is provided.
4. The **Limited Impact Event** and **Widespread Event** Limits of Liability shall be part of, and not in addition to, the Maximum Policy Limit of Liability and Maximum Coverage Section Limit of Liability shown in Item 3 and the Cyber Coverage Section Item 4 of portion of the Declarations.
5. Solely with respect to a **Widespread Event** which arises out of a **Cyber Incident** covered under Insuring Agreements B2 or C impacting the **Shared Computer System** of a service provider that is not scheduled onto this **Policy** via endorsement, it is agreed that a \$0 Limit of Liability shall apply with respect to such **Widespread Event**.

B. LIMITS OF LIABILITY FOR EACH INCIDENT OR CLAIM AND ALL INCIDENTS OR CLAIMS IN THE AGGREGATE UNDER ANY ONE INSURING AGREEMENT

The **Insurer's** maximum limit of liability for each **Cyber Incident, Media Incident, or Technology Incident or Claim** and all **Cyber Incidents, Media Incidents, Technology Incidents, or Claims** in the aggregate under any one Insuring Agreement shall be the applicable Limit of Liability shown in the Cyber Coverage Section portion of Item 4 of the Declarations, which shall be part of, and not in addition to, the Maximum Aggregate Limit of Liability for this Coverage Section.

C. LIMITS OF LIABILITY FOR COVERAGE EXTENSIONS

1. First Party Coverage Extensions

The **Insurer's** maximum Limit of Liability for each **Cyber Incident** and all **Cyber Incidents** in the aggregate covered under a First Party Coverage Extension shall be the Limit of Liability applicable to such First Party Coverage Extension shown in the Cyber Coverage Section portion of Item 4 of the Declarations.

a. Non-Panel Response Provider

Solely with respect to Insuring Agreement A, the **Insurer's** maximum Limit of Liability for **Cyber Incident Response Expenses** for services provided by a **Non-Panel Response Provider** in response to a **Cyber Incident** shall be the **Non-Panel Response Provider** Sublimit shown in the Cyber Coverage Section portion of Item 4 of the Declarations.

b. Non-Malicious Computer Act

Solely with respect to Insuring Agreements B, the **Insurer's** maximum Limit of Liability for **Costs** incurred in response to a **Cyber Incident** arising out of a **Non-Malicious Computer Act** shall be the **Non-Malicious Computer Act** Sublimit shown in the Cyber Coverage Section portion of Item 4 of the Declarations.

c. Preventative Shutdown

Solely with respect to Insuring Agreement B, the **Insurer's** maximum Limit of Liability for **Costs** incurred in response to a **Cyber Incident** arising out of a **Preventative Shutdown** shall be the **Preventative Shutdown** Sublimit shown in the Cyber Coverage Section portion of Item 4 of the Declarations.

d. Hardware Replacement Costs

Solely with respect to Insuring Agreement C, the **Insurer's** maximum Limit of Liability for **Hardware Replacement Costs** incurred in response to a **Cyber Incident** shall be the **Hardware Replacement Costs** Sublimit shown in the Cyber Coverage Section portion of Item 4 of the Declarations.

e. Betterment Costs

Solely with respect to Insuring Agreement C, the **Insurer's** maximum Limit of Liability for **Betterment Costs** incurred in response to a **Cyber Incident** shall be the **Betterment Costs** Sublimit shown in the Cyber Coverage Section portion of Item 4 of the Declarations.

f. Invoice Fraud Financial Loss

Solely with respect to Insuring Agreement C, the **Insurer's** maximum Limit of Liability for **Invoice Fraud Financial Loss** incurred in response to a **Cyber Incident** shall be the **Invoice Fraud Financial Loss** Sublimit shown in the Cyber Coverage Section portion of Item 4 of the Declarations.

2. Third Party Coverage Extensions

The **Insurer's** maximum Limit of Liability for each **Claim** and all **Claims** in the aggregate covered under a Third Party Coverage Extension shall be the Limit of Liability applicable to such Third Party Coverage Extension shown in the Cyber Coverage Section of Item 4 of the Declarations.

a. Regulatory Proceeding

Solely with respect to Insuring Agreement E, the **Insurer's** maximum Limit of Liability for **Damages** and **Claims Expenses** by reason of a **Regulatory Proceeding** shall be the **Regulatory Proceeding** Sublimit shown in the Cyber Coverage Section of Item 4 of the Declarations.

b. Payment Card Loss

Solely with respect to Insuring Agreement E, the **Insurer's** maximum Limit of Liability for **Payment Card Loss** by reason of a **Claim** shall be the **Payment Card Loss** Sublimit shown in the Cyber Coverage Section of Item 4 of the Declarations.

3. The Limits of Liability for any First Party or Third Party Coverage Extension shall be part of, and not in addition to, the Maximum Coverage Section Limit of Liability shown in the Declarations.

V. RETENTION AND COINSURANCE

- A. The liability of the **Insurer** under any Insuring Agreement or Coverage Extension shall apply only to that part of **Costs, Damages, and Claims Expenses** which is in excess of the applicable Retention amount shown in the Cyber Coverage Section portion of Item 4 of the Declarations. Such Retention shall be borne uninsured by the **Named Insured** and at the risk of all **Insureds**.
- B. With respect to Insuring Agreement B, the liability of the **Insurer** shall apply only to:
1. the actual **Business Interruption Loss** and **Contingent Business Interruption Loss** incurred by an **Insured** once the applicable **Waiting Period** shown in the Cyber Coverage Section of the Item 4 of Declarations has expired, provided that such amount is in excess of the applicable Retention amount shown in the Cyber Coverage Section of the Item 4 of the Declarations; and
 2. **Extra Expenses** incurred by an **Insured** as of the start of the **Interruption in Service**, provided that such amount is in excess of the applicable Retention amount shown in the Cyber Coverage Section of the Item 4 of the Declarations.

The **Waiting Period** and Retention amounts shall be computed as of the start of the **Interruption in Service** or **Telecom Theft**.

Any **Business Interruption Loss, Contingent Business Interruption Loss, or Extra Expenses** incurred by an **Insured** during the **Waiting Period** shall reduce and may exhaust any applicable Retention.

- C. With respect to Insuring Agreement B1, the liability of the **Insurer** shall only apply to **Customer Attrition Loss** and **Customer Attrition Expenses** incurred by an **Insured** once the applicable **Waiting Period** shown in Item 4B1 of the Cyber Coverage Section portion of the Declarations has expired, provided that such amount is in excess of the applicable Retention amount shown in Item 4B1 of the Cyber Coverage Section portion of the Declarations.
- D. A single Retention amount shall apply to **Costs, Damages, and Claims Expenses** arising from all **Interrelated Incidents** or **Claims** alleging **Interrelated Incidents**.
- E. If a single **Claim** or **Incident**, including any **Cyber Incident** which constitutes a **Limited Impact Event** or **Widespread Event**, or **Interrelated Incidents**, are subject to different Retentions, the largest applicable Retention shall apply.
- F. **Cyber Incident Response Coach Retention**

Solely with respect to Insuring Agreement A, the **Insurer** will pay **Cyber Incident Response Expenses** for services described in paragraph 1 of such definition which are provided by a **Cyber Incident Response Coach** in response to a **Cyber Incident** in excess of the **Cyber Incident Response Coach Retention** set forth in the Cyber Coverage Section portion of Item 4 of the Declarations.

G. COINSURANCE

With respect to any Insuring Agreement or Coverage Extension for which a Coinsurance percentage is shown in the Cyber Coverage Section portion of Item 4 of the Declarations, after satisfaction of any applicable Retention amount, the **Insureds** shall bear uninsured and at their own risk the applicable percentage of all **Costs, Damages, and Claims Expenses** set forth in the Coinsurance shown in the Cyber Coverage Section portion of Item 4 of the Declarations ("**Insured's Coinsurance**"), and the **Insurer's** liability for **Costs, Damages, and Claims Expenses** under such Insuring Agreement shall apply only to the remaining percent of such **Costs, Damages, and Claims Expenses**. Payments of any **Costs, Damages, or Claims Expenses** by an **Insured** under the **Insured's** Coinsurance percentage shall not reduce the applicable Limits of Liability or the Maximum Coverage Section Limit of Liability. Only the portion of any such **Costs, Damages, or Claims Expenses** paid by the **Insurer** shall reduce the foregoing Limits of Liability. If Coinsurance applies to more than one Insuring Agreement or Coverage Extension, the lowest applicable Limit of Liability shall apply for purposes of Coinsurance.

VI. NOTICE

In addition to the terms and conditions set forth in Section VIII of the General Terms and Conditions, urgent crisis management assistance by the **Cyber Incident Response Coach** is available at the hotline number shown in the Declarations. Use of the services of the **Cyber Incident Response Coach** for a consultation DOES NOT constitute notice under this **Policy** of a **Cyber Incident** or **Claim**. In order to provide notice under this **Policy**, such notice must be given in accordance with and is subject to Section VIII of the General Terms and Conditions.

VII. DEFENSE AND SETTLEMENT

- A. The **Insurer** shall have the right and duty to defend any **Claim** or **Regulatory Proceeding** brought against an **Insured**, even if such **Claim** or **Regulatory Proceeding** is groundless, false, or fraudulent.

The **Insurer** shall consider the **Insured's** request regarding the appointment of counsel, but the **Insurer** shall retain the right to appoint counsel and to make such investigation and defense of a **Claim** or **Regulatory Proceeding** as it deems necessary.

- B. No **Insured** shall settle any **Claim**, incur any **Claims Expenses**, or otherwise assume any contractual obligation or admit any liability with respect to any **Claim** without the **Insurer's** written consent, which shall not be unreasonably withheld. However, this provision does not apply to any potential settlement that is within the Retention where: (i) the settlement is on behalf of all **Insureds**; and (ii) such **Claim** is subject to one Retention amount. This Subsection B does not serve to change any responsibility on the part of the **Insured** with respect to Section VIII, Notice, of the General Terms and Conditions.
- C. The **Insurer** shall not settle any **Claim** without the written consent of the **Named Insured**. If the **Named Insured** refuses to consent to a settlement recommended by the **Insurer** and acceptable to the claimant, then the **Insurer's** applicable Limit of Liability under this **Policy** with respect to such **Claim** shall be reduced to:
1. the amount of **Damages** for which the **Claim** could have been settled plus all **Claims Expenses** incurred up to the time the **Insurer** made its recommendation to the **Named Insured**; plus

2. eighty percent (80%) of all subsequent covered **Damages** and **Claims Expenses** in excess of such amount referenced in paragraph (1) immediately above, which amount shall not exceed that portion of any applicable Limit of Liability that remains unexhausted by payment of **Costs**, **Damages**, and **Claims Expenses**. The remaining twenty percent (20%) of all subsequent covered **Damages** and **Claims Expenses** shall be borne by the **Insureds** uninsured and at their own risk.

However, this Subsection C does not apply to any potential settlement that is within the Retention.

- D. The **Insurer** shall not be obligated to investigate, defend, pay, or settle, or continue to investigate, defend, pay, or settle any **Claim** after any applicable Limit of Liability has been exhausted by payment of **Costs**, **Damages**, or **Claims Expenses**, or by any combination thereof, or after the **Insurer** has deposited the remainder of any unexhausted applicable Limit of Liability into a court of competent jurisdiction. In either such case, the **Insurer** shall have the right to withdraw from the further investigation, defense, payment, or settlement of such **Claim** by tendering control of such **Claim** to the **Insured**.
- E. The **Insureds** shall cooperate with the **Insurer** and provide to the **Insurer** all information and assistance which the **Insurer** reasonably requests, including attending hearings, depositions, and trials, and assistance in effecting settlements, securing and giving evidence, obtaining the attendance of witnesses, and conducting the defense of any **Claim** covered by this **Policy**. The **Insured** shall do nothing that may prejudice the **Insurer's** position. The **Insureds** shall forward to the **Insurer** as soon as practicable, at the address shown in Item 6A of the Declarations, every demand, notice, summons, or other process or pleading received by an **Insured** or its representatives.
- F. With the exception of paragraph 6 of the **Cyber Incident Response Expenses** definition, an **Insured** has the right to incur **Cyber Incident Response Expenses** without the **Insurer's** prior consent. However, the **Insurer** shall, at its sole discretion and in good faith, pay only for such expenses that the **Insurer** deems to be reasonable and necessary.

VIII. DUTIES IN THE EVENT OF A CYBER INCIDENT

In the event of a **Cyber Incident**, the **Insureds** shall take every reasonable step to mitigate loss, continue operations, preserve any contractual rights or remedies, and protect and preserve any property, **Computer Systems**, logs, books and records, reports or evidence (collectively, "Elements of Proof"), which may be reasonably necessary for examination in the adjustment of any **Cyber Incident**. To the extent that the **Insureds** incur expenses to protect and preserve any Elements of Proof, such expenses shall be covered under paragraph 7 of the definition of **Cyber Incident Response Expenses** with **Insurer's** prior consent.

A. PROOF OF LOSS

1. The **Insured** shall, upon request, render a sworn Proof of Loss to the **Insurer** outlining full particulars of any **Cyber Incident** as soon as practicable after such **Cyber Incident** is reported to the **Insurer** pursuant to Section VIII, Notice, of the General Terms and Conditions and/or VI, Notice, of this Coverage Section. If requested, such Proof of Loss shall include the written reports of any service providers who participated in the investigation or response to such **Cyber Incident**, including the **Cyber Incident Response Team** or any **Non-Panel Service Provider**, or any written reports or correspondence to or from any law enforcement, governmental authority or agency, industry regulatory body, or similar entity.
2. The Proof of Loss shall provide full details of any amounts requested for reimbursement or payment, and shall detail how such amounts were calculated, what assumptions have been made, and any relevant documentary evidence that substantiates the Proof of Loss.

3. The **Insureds** shall cooperate with, and provide any additional information reasonably requested by the **Insurer** in its investigation of any **Cyber Incident**, and shall permit and facilitate the **Insurer's** investigation and audit of any Elements of Proof relevant to the adjustment of any **Cyber Incident**, including any information requests from third party service providers on behalf of the **Insurer**.
4. In no event shall the **Insured** be obligated to provide information specifically subject to a Written Gag Order to the **Insurer**, while such Written Gag Order is in full force and effect. However, such information may be requested by the **Insurer** as part of the Proof of Loss, as soon as such Written Gag Order is no longer in full force or effect.

B. RIGHT TO INSPECT

The **Insurer** or a third party acting on behalf of the **Insurer** shall be permitted but not obligated to inspect, assess, and audit the **Insured's** Elements of Proof relevant to the adjustment of any **Cyber Incident**, provided this right to inspect shall not constitute any undertaking on behalf of, or to benefit, any **Insured**. Any additional expense related to such inspection shall be borne by the **Insurer** and will not erode any Limits of Liability under this Coverage Section.

C. ADJUSTMENT AND LOSS PAYMENT

1. The **Insurer** may rely on the Proof of Loss, Elements of Proof, and any independent evidence in determining whether any **Cyber Incident** constitutes a **Limited Impact Event** or **Widespread Event**. Such independent evidence may include information in the public domain or non-public information gathered in the **Insurer's** investigation of the **Cyber Incident**, including any reports from third parties, such as government agencies, computer service providers, or computer forensic firms, that detail or discuss the **Widespread Event**. Any expense incurred to obtain any such independent evidence shall be borne by the **Insurer** and will not erode any Limits of Liability under this Coverage Section.
2. **Cyber Incident Response Expenses** shall be covered under Insuring Agreement A under the Limit of Liability applicable to a **Limited Impact Event**, up until the earlier point in time that:
 - a. the **Insured** obtains, or reasonably should have obtained, facts or evidence that would reasonably indicate that the **Cyber Incident** is a **Widespread Event**; or
 - b. the **Insurer** actually determines a **Cyber Incident** to be a **Widespread Event** based upon Proof of Loss, Elements of Proof, or any independent evidence.

After such point in time, further **Cyber Incident Response Expenses** incurred shall be covered under Insuring Agreement A under the Limit of Liability applicable to a **Widespread Event**.

3. If the **Insurer** determines that it is impossible or impracticable to reach a determination of whether a **Cyber Incident** constitutes a **Limited Impact Event** or **Widespread Event**, the **Insurer** may at any time, in its sole discretion, deem such **Cyber Incident** to be a **Limited Impact Event**, and adjust the **Cyber Incident** accordingly.

4. With respect to Insuring Agreement B, the **Insurer** may rely on the Proof of Loss and any independent evidence, including the trends and circumstances which affect the profitability of the business and would have affected the profitability of the business had the **Cyber Incident** not occurred, all material changes in market conditions or adjustment expenses which would affect the net profit generated, and potential income derived from substitute methods, in determining coverage for any **Business Interruption Loss, Contingent Business Interruption Loss, and Customer Attrition Loss**. However, the **Insurer's** adjustment will not include the **Insured's** increase in income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of a **Malicious Computer Act** or **Non-Malicious Computer Act** on others.
 5. The **Insurer** will pay for covered **Costs** after receipt of the complete Proof of Loss, provided the **Insured** has complied with all the terms of this **Policy**, and the **Insurer** and the **Insureds** have agreed on the amounts due for reimbursement. So long as any relevant information is subject to a Written Gag Order, the adjustment of any such **Cyber Incident** shall be suspended, and the Proof of Loss shall be considered incomplete during this time.
 6. If the **Insurer** and the **Insureds** fail to agree on the amount of covered **Costs, Damages, and Claims Expenses** under this **Policy**, the **Insurer** may issue partial payment of any undisputed amounts, and the provisions set forth in Section XV, Alternative Dispute Resolution, of the General Terms and Conditions, shall apply with respect to any disputed amounts.
- D. In the event that the **Insured** chooses not to provide a Proof of Loss, Elements of Proof, or any independent evidence to the **Insurer** in order for the **Insurer** to determine whether a **Cyber Incident** constitutes a **Limited Impact Event** or **Widespread Event**, the **Insured** and the **Insurer** agree that such **Cyber Incident** shall be considered a **Widespread Event** for purposes of coverage under this Coverage Section. For purposes of this Subsection D, the **Insured's** failure to provide a Proof of Loss, Elements of Proof, or independent evidence shall not be considered a violation of such **Insured's** duties under this Coverage Section.

IX. CYBER INCIDENT RESPONSE FUND AND LOSS MITIGATION SERVICES PROVISIONS

- A. With respect to the **Cyber Incident Response Team** or a **Non-Panel Response Provider** providing to an **Insured** the services shown in the definition of **Cyber Incident Response Expenses**:
1. The **Insureds** are under no obligation to contract for services with the **Cyber Incident Response Team**. However, if an **Insured** elects to use any **Non-Panel Response Providers** for any **Cyber Incident Response Expenses**, the applicable Limits of Liability shown in Item 4A2 of the Cyber Coverage Section portion of the Declarations will apply.
 2. The **Insurer** shall not be a party to any agreement entered into between any **Cyber Incident Response Team** service provider and an **Insured**.
 3. **Cyber Incident Response Team** service providers are independent contractors, and are not agents of the **Insurer**. The **Insureds** agree that the **Insurer** assumes no liability arising out of any services rendered by a **Cyber Incident Response Team** service provider. The **Insurer** shall not be entitled to any rights or subject to any obligations or liabilities set forth in any agreement entered into between any **Cyber Incident Response Team** service provider and an **Insured**. Any rights and obligations with respect to such agreement, including billings, fees, and services rendered, are solely for the benefit of, and borne solely by such **Cyber Incident Response Team** service provider and such **Insured**, and not the **Insurer**.
 4. The **Insurer** has no obligation to provide any of the services provided by the **Cyber Incident Response Team**.

- B. With respect to any other third party vendor, the **Insurer** may provide the **Named Insured** with a list of third-party privacy and network security loss mitigation vendors whom the **Named Insured**, at its own election and at the **Named Insured's** own expense, may retain for cyber risk management to inspect, assess, and audit the **Named Insured's** property, operations, systems, books, and records, including the **Named Insured's** network security, employee cyber security awareness, incident response plans, services provider contracts, and regulatory compliance. Any loss mitigation inspection, assessment, or audit purchased by the **Named Insured**, and any report or recommendation resulting therefrom, shall not constitute an undertaking at the request of, or for the benefit of, the **Insurer**.
- C. The **Insurer** may also make available third-party privacy and network security loss mitigation services to the **Insureds**, at no additional expense to the **Named Insured**, in order to help the **Insureds** analyze key cyber exposures and limit their exposure to a potential loss during the **Policy Period**. Such services shall be provided by a pre-approved vendor of the **Insurer**.
- D. The **Insurer** shall be permitted but not be obligated to make loss control recommendations and provide loss control services to the **Organization** for the **Insurer's** underwriting purposes, following notice and coordination with the **Named Insured**. The **Insurer's** right to make recommendations for, or provide, loss control services is for the exclusive purpose of making an underwriting determination and shall not constitute an undertaking on behalf of or for the benefit of the **Organization** or others. Furthermore, such loss control services are undertaken for the benefit of the **Insurer** and relate only to the insurability of the **Organization** for coverage under this Coverage Section, to reduce the severity or frequency of losses, or to determine the premiums to be charged.

X. POLICY NONDISCLOSURE OBLIGATION

Solely with respect to Insuring Agreement D, as a condition precedent to the **Insureds'** rights under this coverage, the **Insureds** will use their best efforts to ensure that neither the existence of this coverage, nor the associated Limits of Liability, are disclosed:

- A. prior to a **Cyber Incident**, outside of the **Organization**, except:
 - 1. as required by contract, regulation, or law;
 - 2. in accordance with any customary or official business disclosure rules or procedures that apply to an **Insured**; or
 - 3. to a third-party privacy and network security loss mitigation vendor retained for cyber risk management, including any such vendor designated as a prospective **Cyber Incident Response Coach**, **Pre-Approved Response Provider**, or **Non-Panel Response Provider**; and
- B. after a **Cyber Incident**, to any natural person or group believed to be responsible for a **Network Extortion Threat**.

CBI / PD (\$250K)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

All other terms and conditions of this **Policy** shall remain unchanged.

AMENDATORY ENDORSEMENT – ILLINOIS

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

THE WESTCHESTER PORTFOLIO CYBER & PROFESSIONAL LIABILITY POLICY

In consideration of the premium it is agreed that the General Terms and Conditions are amended as follows:

1. The definitions of **Pollutants** set forth in Section II. Definitions, is amended to add the following:

Pollutants does not mean smoke or fumes from a hostile fire.

2. Section VI, Extended Reporting Period, subsection A, is deleted and replaced with the following:

- A. Solely with respect to Insuring Agreements T, A, E, and F, of the Cyber Coverage Section, and **Claims** under the Media Coverage Section, Employed Layers Coverage Section and the Miscellaneous Professional Liability Coverage Section (when such coverages are purchased), if the **Insurer** terminates or does not renew this **Policy** or if the **Named Insured** terminates or does not renew this **Policy** and does not obtain replacement coverage as of the effective date of such termination or nonrenewal, the **Named Insured** shall have the right, upon payment of the additional premium shown in Item 5A of the Declarations and subject to the terms specified in Subsections B-E directly below, to a continuation of the coverage granted by this **Policy** for an **Extended Reporting Period** shown in Item 5B of the Declarations following the effective date of such termination or non-renewal; provided that such **Extended Reporting Period** shall be for twelve (12) months or any time agreed upon by the **Insurer** and the **Named Insured**.

3. Section IX, Termination of the Policy, is amended to add the following:

- Notice of non-renewal or cancellation by the **Insurer** will include the reason(s) for such non-renewal or cancellation and will be mailed sixty (60) days advance written notice to the **Named Insured** at its last known address, with a copy to the agent or broker of record, if any, and any mortgagee or lien holder, if known. The **Insurer** shall maintain proof of the mailing of such notice on one of the following forms: a recognized U.S. Post Office form, or a form acceptable to the U.S. Post Office, or other commercial mail delivery service. An exact and unaltered copy of such notice shall also be sent to the **Named Insured's** broker, if known, or the agent of record and to the mortgagee or lien holder at the last mailing address known by the **Insurer**.
- The **Insurer** may condition renewal of this **Policy** upon an increase in premium of 30% or more, or a change in deductible or coverage, by mailing to the **Named Insured** at the last mailing address known to the **Insurer**, with a copy to the agent or broker of record, if any, at least sixty (60) days advance written notice of such renewal change(s). If the **Insurer** provides such notice between thirty-one (31) and sixty (60) days before the expiration of the **Policy Period**, the **Insurer** will offer the **Named Insured** a sixty (60)-day extension at a pro-rated premium based upon the expiring policy premium. If the **Insurer** provides less than thirty-one (31) days' notice of such conditional renewal, the **Insurer** must renew the expiring policy under the same terms and conditions for an additional year or until the effective date of any similar coverage procured by the **Named Insured**, whichever is earlier. The **Insurer** may increase the renewal premium, however such increase must be less than 30% of the expiring term's premium, and notice of such increase must be delivered to the **Named Insured** on or before the date of expiration of the current **Policy Period**.

4. Section XIII, Other Insurance, is deleted in its entirety and replaced with the following:

XIII. OTHER INSURANCE

If any **Costs, Damages, or Claims Expenses** under this **Policy** are insured under any other valid and collectible insurance policy(ies) subject to the same terms, conditions, and provisions as the insurance provided by this **Policy**, then this **Policy** shall cover its share of such **Damages**, subject to its limitations, conditions, provisions, and other terms, in an amount equal to the proportion that the then-available Limit of Liability under this **Policy** bears to the aggregate of all Limits of Liability of all insurance covering such **Damages**, whether such other policy(ies) is stated to be primary, contributory, excess, contingent, or otherwise, unless such other policy(ies) is written only as specific excess insurance over the Limits of Liability provided in this **Policy**. If any **Damages** under this **Policy** is insured under any other valid insurance, prior or current, regardless of whether collectible, other than described above, then this **Policy** shall cover such **Damages**, subject to its limitations, conditions, provisions, and other terms, only to the extent that the amount of such **Damages** is in excess of the applicable deductible (or retention) and Limit of Liability under such other insurance, unless such other insurance is written only as specific excess insurance over the Limits of Liability in this **Policy**.

5. All references in this **Policy** to the term “spouse” or “domestic partnership” are deemed to include a party to a civil union or domestic partnership.

All other terms and conditions of this **Policy** shall remain unchanged.

AMENDATORY ENDORSEMENT – ILLINOIS

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

THE WESTCHESTER PORTFOLIO CYBER & PROFESSIONAL LIABILITY POLICY

In consideration of the premium it is agreed that the Cyber Coverage Section is amended as follows:

1. Section II, Definitions, the definition of **Damages** is amended as follows:

a. The first sentence is deleted and replaced with the following:

Damages means compensatory damages, any judgment award, **Payment Card Loss, Consumer Redress Fund**, settlements, and amounts which an **Insured** becomes legally obligated to pay on account of any **Claim**.

b. Subparagraph 4 is deleted and replaced with the following:

4. punitive or exemplary damages, or the multiple portion of any multiplied damage award, except to the extent that such punitive or exemplary damages, or multiplied portion of any multiplied damage award, are insurable under the applicable laws of any jurisdiction which most favors coverage for such damages and which has a substantial relationship to the **Insured, Insurer, this Policy, or the Claim** giving rise to such damages; and provided further, however, that under Illinois law punitive damages are insurable only if such damages are based on vicarious liability for another's acts or omissions;

2. Section III, subsection A, Exclusions Applicable to All Insuring Agreements, exclusion 7, Pollution is amended to add the following:

Provided that this Exclusion shall not apply to a **Claim** resulting from heat smoke or fumes from a hostile fire, if such **Claim** would otherwise be covered under this **Policy**.

All other terms and conditions of this **Policy** shall remain unchanged.

QUESTIONS ABOUT YOUR INSURANCE?

Answers to questions about your insurance, coverage information, or assistance in resolving complaints can be obtained by contacting:

Chubb Customer Support Services Department:
436 Walnut Street
Philadelphia, Pennsylvania 19106-3703
Telephone Number: 1-800-352-4462
Email: ACEUSCustomerServices@ACEgroup.com

The **Illinois Department of Insurance** may also be contacted for assistance. Insurance analysts are available to answer general questions by phone at our toll-free Consumer Assistance Hotline (866) 445-5364. **However, complaints must be submitted in writing.**

How to file a complaint with the Insurance Department:

Complaints may be submitted in the following ways:

- On-line at <https://insurance.illinois.gov/applications/ComplaintForms/default.aspx> and by following the instructions posted.
- By fax: (217) 558-2083
- By email at consumer_complaints@ins.state.il.us
- By mail: 320 W. Washington St. Springfield, IL 62767 or 122 S. Michigan Ave., 19th Floor, Chicago, Illinois 60603

ADDITIONAL INSURED – BLANKET PURSUANT TO A CONTRACT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

THE WESTCHESTER PORTFOLIO CYBER & PROFESSIONAL LIABILITY POLICY

In consideration of the premium charged, it is agreed the Cyber Coverage Section is amended as follows:

1. It is agreed that in Section II, Definitions, the definition of **Insured** paragraph 7 is deleted and replaced with the following:
 7. any natural person or entity for whom an **Organization** is required by written contract or agreement to provide insurance coverage under this Coverage Section (hereinafter “**Additional Insured**”), but only with respect to **Claims**:
 - a. arising out of any **Cyber Incident**, **Technology Incident**, and **Media Incident** committed after the **Organization** and the **Additional Insured** entered into such written contract or agreement;
 - b. for any **Cyber Incident**, **Technology Incident**, and **Media Incident** committed by, on behalf of, or at the direction of the **Organization**; and
 - c. subject to the lesser of the limits of insurance required by such written contract or agreement between the **Organization** and the **Additional Insured**, or the applicable Limits of Insurance of this Coverage Section.

However, no natural person or entity shall be an **Additional Insured** with respect to any **Claim** arising solely out of such natural person's or entity's independent act, error, or omission. In the event of a disagreement between the **Named Insured** and the natural person or entity as to whether the **Claim** arises solely out of such natural person's or entity's independent act, error, or omission, it is agreed that the **Insurer** shall abide by the determination of the **Named Insured** on this issue, and such determination shall be made by the **Named Insured** within 20 days of the notification to the **Insurer** of the applicable **Claim**.

2. Section XIII, Other Insurance, of the General Terms and Conditions is amended by deleting the term “**Technology Incident**” where it appears and replacing it with the term “**Incident**”.

All other terms and conditions of this **Policy** shall remain unchanged.

MUSICAL WORK OR COMPOSITION EXCLUSION ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

THE WESTCHESTER PORTFOLIO CYBER & PROFESSIONAL LIABILITY POLICY

In consideration of the premium charged, it is agreed that the Cyber Coverage Section is amended as follows:

1. In Section II, Definitions, the definition of **Media Content**, is deleted and replaced with the following:

Media Content means any data, text, sounds, images, graphics, photographs, or advertisements, and shall include video, streaming content, webcasts, podcasts, blogs, online forums, and chat rooms designed for the specific purpose of attracting the general public or a specific market segment to use the goods, products, or services of an **Organization**. **Media Content** shall not include computer software, software technology, or the actual goods, products, or services described, illustrated, or displayed in such **Media Content**. Further, **Media Content** shall not include content created or posted for any third party, including content created or posted for any third party in the performance of professional services.

2. In Section III, Exclusions, subsection B, Exclusions Applicable To Specific Insuring Agreements, is amended by adding the following exclusion:

- Musical Work or Composition

notwithstanding anything to the contrary in Section III, Exclusions, subsection A, Exclusions Applicable To All Insuring Agreements, Exclusion 13, Intellectual Property, and solely with respect to Insuring Agreement F, alleging, based upon, arising out of, or attributable to an **Insured's** actual or alleged dissemination or use of any musical work or composition on the Internet, including any website or social media site of the **Insured**.

All other terms and conditions of this **Policy** remain unchanged.

EXTORTION THREAT ENHANCEMENT FOR PROTECTED INFORMATION

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

THE WESTCHESTER PORTFOLIO CYBER & PROFESSIONAL LIABILITY POLICY

In consideration of the premium charged, it is agreed that in Section II, Definitions, of the Cyber Coverage Section, the definition of **Network Extortion Threat**, paragraph 1, is deleted and replaced with the following:

1. release, divulge, disseminate, destroy, or use:
 - a. **Protected Information**, in any format, irrespective of how such **Protected Information** was taken without authorization from an **Insured**; or
 - b. confidential corporate information of an **Organization**, as a result of the unauthorized access to or unauthorized use of an **Insured's Computer System** or **Shared Computer System**;

All other terms and conditions of this **Policy** shall remain unchanged.

CYBER COVERAGE SECTION EXCLUSION DELETED ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

THE WESTCHESTER PORTFOLIO CYBER & PROFESSIONAL LIABILITY POLICY

In consideration of the premium charged, it is agreed that Section III, Exclusions, of the Cyber Coverage Section is amended by deleting the following exclusion(s) in its (their) entirety:

Wrongful Collection Exclusion

All other terms and conditions of this **Policy** shall remain unchanged.

POLICYHOLDER NOTICE CYBER SERVICES FOR INCIDENT RESPONSE

This Policyholder Notice shall be construed as part of your **Policy**, with respect to the Cyber Coverage Section, but no coverage is provided by this Policyholder Notice nor can it be construed to replace any provisions of your **Policy**. While no coverage is provided by this Policyholder Notice, bolded terms in this Policyholder Notice shall have the meaning set forth in your **Policy**. You should read your **Policy** and review your Declarations page for complete information on the coverages you are provided.

This Notice provides information concerning access to cyber services for incident response.

Cyber Incident Response Team

The **Cyber Incident Response Team** is a list of approved service providers available to provide the services set forth in the definition of **Cyber Incident Response Expenses** in your **Policy**. The list of approved service providers is available on the Chubb website. These providers have been carefully selected by Chubb and are reviewed on a periodic basis. The service providers have capabilities in various disciplines for a **Cyber Incident** response that include, but are not limited to, the following:

1. Computer Forensics
2. Public Relations
3. Notification and Identity Services
4. Call Center Services
5. Cyber Extortion and Ransom Services
6. Legal and Regulatory Communications
7. Business Interruption Services

In the event of a **Cyber Incident**, a copy of the **Cyber Incident Response Team** list can also be obtained from any **Cyber Incident Response Coach**. In the event of a **Cyber Incident**, contact the **Cyber Incident Response Coach** as indicated on the Declarations Page and referenced throughout the **Policy**.

Please note the following:

1. Should you experience a cyber related incident, you may choose to call the **Cyber Incident Response Team** Hotline listed in your **Policy** for immediate triage assistance. Please be aware that the hotline service is provided by a third-party law firm. If you engage this service, it is billable to you at the standard rate per hour outlined in the Chubb **Cyber Incident Response Team** Panel Guidelines. Calling the hotline does NOT satisfy the claim notification requirements of your **Policy**.
2. Chubb shall not be a party to any agreement entered into between any **Cyber Incident Response Team** service provider and the policyholder. It is understood that **Cyber Incident Response Team** service providers are independent contractors, and are not agents of Chubb. The policyholder agrees that Chubb assumes no liability arising out of any services rendered by a **Cyber Incident Response Team** service provider. Chubb shall not be entitled to any rights or subject to any obligations or liabilities set forth in any agreement entered into between any **Cyber Incident Response Team** service provider and the policyholder. Any rights and obligations with respect to such agreement, including but limited to billings, fees and services rendered, are solely for the benefit of, and borne solely by such **Cyber Incident Response Team** service provider and the policyholder, and not Chubb.
3. Chubb has no obligation to provide any of the legal, computer forensics, public relations, notification and identity services, call center services, cyber extortion and ransom, legal and regulatory communications, and business interruption advice and services provided by the **Cyber Incident Response Team**.

4. The policyholder is under no obligation to contract for services with **Cyber Incident Response Team** service providers, except as may be amended by the **Policy**.
5. Solely with respect to the services provided by the **Cyber Incident Response Team**:
 - a. Failure to comply with any one or more of the requirements of the **Cyber Incident Response Team** will preclude coverage under the applicable limit(s).
 - b. Chubb may, at its sole discretion and only as evidenced by Chubb's prior written approval, on or before the effective date of the **Policy**, permit the policyholder to retain alternative service providers to provide services comparable to the services and rates offered by the **Cyber Incident Response Team**.
 - c. If, during the **Policy Period**, either (i) any of the **Cyber Incident Response Team** service providers is unable to or does not provide the services covered and as defined in the definition of **Cyber Incident Response Expenses** or (ii) there is a change of law or regulation that prevents service providers selected exclusively from the **Cyber Incident Response Team** from providing the legal, computer forensic, notification, call center, public relations, crisis communications, fraud consultation, credit monitoring, and identity restoration advice and services sought by the policyholder, Chubb may, at its sole discretion and only as evidenced by Chubb's prior written approval, permit the policyholder to retain alternative service providers to provide services comparable to the services offered by the **Cyber Incident Response Team**.
 - d. The maximum rate Chubb will pay for **Cyber Incident Response Expenses** shall be no more than the rates outlined in the 'Chubb **Cyber Incident Response Team** Panel Guidelines' for such services.

BIOMETRIC PRIVACY SUBLIMIT ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

THE WESTCHESTER PORTFOLIO CYBER & PROFESSIONAL LIABILITY POLICY

In consideration of the premium charged it is agreed that the Cyber Coverage Section is amended as follows:

1. Section II, Definitions, is amended to include the following term:

Biometric Information means any personally-identifiable biological indicators, including:

1. physical indicators such as retina, iris, fingerprint, facial, dental, or blood vessel geometry;
 2. chemical indicators such as DNA, RNA, or the chemical composition of bodily substances; or
 3. behavioral indicators such as signature, voice, or keystroke analysis.
2. Section III, Exclusions, subsection B, Exclusions Applicable To Specific Insuring Agreements, is amended to include the following exclusion:

- Biometric Privacy

solely with respect to Insuring Agreements A-E, alleging, based upon, arising out of, or attributable to:

- a. the collection, retaining, or use of any **Biometric Information**, without first:
 1. obtaining the consent of the person whose **Biometric Information** is at issue; and
 2. disclosing the purpose for the collection, retention, or use thereof to the person whose **Biometric Information** is at issue; or
- b. the disclosure (including the sale, lease, or trade) of any **Biometric Information**, other than as expressly requested in writing by the person whose **Biometric Information** is at issue.

However, this exclusion shall not apply to the collection, retention, use or disclosure of **Biometric Information**, as required by law; provided further that, subject to a limit of insurance of \$1,000,000, in the aggregate, this exclusion shall not apply to **Costs, Damages, or Claims Expenses**, including each such **Claim** alleging **Interrelated Incidents**. This sublimit is part of, and not in addition to: (i) the otherwise applicable limits of liability set forth in Item 4 of the Declarations including the Maximum Coverage Section Limit of Liability; and (ii) the Maximum Policy Limit of Liability set forth in Item 3 of the Declarations, and will in no way serve to increase the **Insurer's** maximum liability under the **Policy**.

3. Section III, Exclusions, subsection B, Exclusions Applicable To Specific Agreements, is amended to include the following exclusion:

Solely with respect to Insuring Agreements T, alleging, based upon, arising out of, or attributable to:

- a. the collection, retaining, or use of any **Biometric Information**, without first:
 1. obtaining the consent of the person whose **Biometric Information** is at issue; and
 2. disclosing the purpose for the collection, retention, or use thereof to the person whose **Biometric Information** is at issue; or

- b. the disclosure (including the sale, lease, or trade) of any **Biometric Information**, other than as expressly requested in writing by the person whose **Biometric Information** is at issue; or
- c. **Technology Products, Technology Services** that involve in any capacity **Biometric Information**.

This exclusion shall not apply to the **Biometric Information** of the **Organization's** employees.

However, only with respect to paragraphs a and b above, this exclusion shall not apply to the collection, retention, use or disclosure of **Biometric Information**, as required by law; provided further that, this exclusion shall not apply to **Costs, Damages, or Claims Expenses**, including each such **Claim** alleging **Interrelated Incidents** for all **Incidents or Claims for Biometric Information** ("**Biometric Information Sublimit**"). This **Biometric Information** sublimit is part of, and not in addition to: (i) the otherwise applicable limits of liability set forth in Item 4 of the Declarations for the Cyber Coverage Section; and (ii) the Maximum Policy Limit of Liability set forth in Item 3. of the Declarations, and will in no way serve to increase the **Insurer's** maximum liability under the **Policy**.

- 4. Section V, Retention and Coinsurance, is amended by adding the following:
 - Solely with respect to that portion of any **Claim** which is covered pursuant to the proviso of the applicable Biometric Privacy Exclusion, the retention shall be \$1 Item 4 of the Declarations for the Cyber Coverage Section is deemed amended to effect the purpose of this paragraph.

All other terms and conditions of this **Policy** remain unchanged.

RANSOMWARE ENCOUNTER SUBLIMIT, RETENTION, AND COINSURANCE ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

THE WESTCHESTER PORTFOLIO CYBER & PROFESSIONAL LIABILITY POLICY

In consideration of the premium charged it is agreed that the Cyber Coverage Section is amended as follows:

1. The Cyber Coverage Section portion of Item 4 of the Declarations is amended by adding the following:

Ransomware Encounter Sublimit \$1,000,000 Each **Cyber Incident** and in the Aggregate for all **Cyber Incidents**

Ransomware Encounter Retention \$15,000 Each **Cyber Incident**

Ransomware Encounter Coinsurance Percentage: 0%

2. Section II, Definitions, is amended by adding the following:

- **Ransomware Encounter** means a **Cyber Incident** involving malicious software which is designed to block access to a **Computer System** or **Digital Data**, or alter, corrupt, damage, manipulate, misappropriate, encrypt, delete, or destroy **Digital Data**, in order to extort a ransom payment from the **Insured** in exchange for restoring access to or decrypting such **Computer System** or **Digital Data**.

Further, **Ransomware Encounter** shall also include any credible threat, or series of credible threats, to release, divulge, disseminate, or use **Protected Information**, or confidential corporate information of an **Insured**, that has been exfiltrated as part of an event described in the paragraph immediately above.

3. Section IV, Limits of Liability, is amended by adding the following:

- RANSOMWARE ENCOUNTER SUBLIMIT

Notwithstanding anything in this **Policy** to the contrary, solely with respect to Insuring Agreements A-E, the **Insurer's** maximum limit of insurance for all **Costs, Damages, and Claims Expenses** incurred in response to a **Cyber Incident** arising out of a **Ransomware Encounter** shall be the **Ransomware Encounter Sublimit** shown in the Cyber Coverage Section portion of Item 4 of the Declarations, as amended by this endorsement.

The **Ransomware Encounter Sublimit** shall be part of and not in addition to: 1. the applicable limits of liability shown in Items 4A-E of the Cyber Coverage Section portion of the Declarations; 2. the Coverage Section Maximum Limit of Liability set forth in the Cyber Coverage Section portion of Item 4 of the Declarations; and 3. the Maximum Policy Limit of Liability set forth in Item 3 of the Declarations.

4. Section V, Retention and Coinsurance, is amended by adding the following:

- **RANSOMWARE ENCOUNTER RETENTION**

Notwithstanding anything in this **Policy** to the contrary, solely with respect to a **Cyber Incident** covered under Insuring Agreements A-E that arises out of a **Ransomware Encounter**, the liability of the **Insurer** shall apply only to that part of **Costs, Damages, and Claims Expenses** which is in excess of the **Ransomware Encounter** Retention amount shown in the Cyber Coverage Section portion of Item 4 of the Declarations, as amended by this endorsement. Such Retention shall be borne uninsured by the **Named Insured** and at the risk of all **Insureds**.

- **RANSOMWARE ENCOUNTER COINSURANCE**

Notwithstanding anything in this **Policy** to the contrary, solely with respect to a **Cyber Incident** covered under Insuring Agreements A-E that arises out of a **Ransomware Encounter**, and after satisfaction of any applicable Retention amount, the **Insureds** shall bear uninsured and at their own risk the percentage of all **Costs, Damages, and Claims Expenses** set forth in the **Ransomware Encounter** Coinsurance shown in the Cyber Coverage Section portion of Item 4 of the Declarations, as amended by this endorsement, and applied to Insuring Agreements A-E, combined. Payments of any **Costs, Damages, and Claims Expenses** by an **Insured** under the **Ransomware Encounter** Coinsurance percentage shall not reduce the Limits of Liability applicable to Insuring Agreements A-E, including the **Ransomware Encounter** Sublimit, the Maximum Policy Limit of Liability, or the Maximum Coverage Section Limit of Liability. Only the portion of any such **Costs, Damages, and Claims Expenses** paid by the **Insurer** shall reduce the foregoing limits of liability.

5. Section VIII, Notice, of the General Terms and Conditions is amended by adding the following subsection:

- Notwithstanding anything in this **Policy** to the contrary, a **Ransomware Encounter** shall also be reported to law enforcement by or on behalf of an **Insured**.

All other terms and conditions of this **Policy** remain unchanged.

CONTINGENT BUSINESS INTERRUPTION LOSS AND EXTRA EXPENSES – BLANKET SUPPLY CHAIN RISKS

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

THE WESTCHESTER PORTFOLIO CYBER & PROFESSIONAL LIABILITY POLICY

In consideration of the premium charged it is agreed that Section II, Definitions of the Cyber Coverage Section is amended as follows:

1. The definition of **Interruption in Service** is deleted and replaced with the following:

Interruption in Service means a detectable interruption or degradation in service of:

1. with respect to Insuring Agreement B1, an **Insured's Computer System**; or
2. with respect to Insuring Agreement B2:
 - a. a **Shared Computer System**; or
 - b. a **Computer System** of a **Supplier**;

caused by a **Malicious Computer Act**, **Non-Malicious Computer Act** or **Preventative Shutdown**.

2. Solely with respect to coverage afforded under paragraph 2.b. of the **Interruption in Service** definition, as amended by this endorsement, paragraph 2 of the definition of **Contingent Business Interruption Loss** is deleted and replaced with the following:

2. the difference between the amount of the **Insured's** net profit actually earned before income taxes and the amount of the **Insured's** net profit that would have been earned before income taxes had no **Interruption in Service** of a **Computer System** of a **Supplier** occurred.

3. The following definitions are added:

- **Dependencies** means any product or service that is provided directly by a **Supplier** to an **Organization**. However, **Dependencies** shall not mean any electricity, gas, fuel, steam, water, refrigeration, or outgoing sewerage services or products provided to the **Organization**.
- **Supplier** means any entity that provides **Dependencies** directly to an **Organization** pursuant to a written contract entered into between such entity and **Organization**. However, **Supplier** shall not mean any entity that provides electricity, gas, fuel, steam, water, refrigeration, or outgoing sewerage services or products to the **Organization**.

4. Solely with respect to coverage afforded under paragraph 2.b. of the **Interruption in Service** definition, as amended by this endorsement, the definition of **Period of Restoration** is deleted and replaced with the following:

Period of Restoration means the continuous period of time that:

1. begins with the earliest date when an interruption of the **Dependencies** from a **Supplier** occurs as a result of an **Interruption in Service** of the **Supplier's Computer System**; and

2. ends on the date when such **Dependencies** are or could have been repaired, restored, replaced, or substituted, as applicable, with reasonable speed to the same functionality and level of service that existed prior to the **Interruption in Service** of such **Supplier's Computer System**. Notwithstanding anything to the contrary in the **Policy**, in no event shall the **Period of Restoration** exceed thirty (30) days.

All other terms, conditions and limitations of this **Policy** shall remain unchanged.

CYBER INCIDENT RESPONSE (SIDE CAR)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

THE WESTCHESTER PORTFOLIO CYBER & PROFESSIONAL LIABILITY POLICY

In consideration of the premium charged, it is agreed that the **Policy** is amended as follows:

1. Section III, Limits of Liability, Subsection 1 of the General Terms and Conditions is deleted and replaced with the following:

The **Insurer's** maximum aggregate liability for each Coverage Section shall be the applicable Coverage Section Aggregate Limit of Liability set forth in Item 4 of the Declarations: (a) subject to any Sublimits; and (b) excess of any applicable Retention; provided, that this paragraph shall not apply to Insuring Agreement A of the Cyber Coverage Section.

2. In Section IV Limits of Liability of the Cyber Coverage Section Subsection B, Aggregate Limit for all Incidents or Claims Under Any One Insuring Agreement is deleted in its entirety.

Except as set forth in the paragraph immediately below the **Insurer's** maximum limit of liability for each **Cyber Incident, Media Incident, or Technology Incident or Claim** and all **Cyber Incidents, Media Incidents, Technology Incidents, or Claims** in the aggregate under any one Insuring Agreement shall be the applicable Limit of Liability shown in the Cyber Coverage Section portion of Item 4 of the Declarations, which shall be part of, and not in addition to, the Maximum Aggregate Limit of Liability for this Coverage Section.

With respect to Insuring Agreement A only, the **Insurer's** maximum limit of liability for all **Cyber Incidents** under Insuring Agreement A shall be equal to the Cyber Coverage Section Maximum Coverage Section Limit of Liability set forth in Item 4 of the Declarations. This limit which shall be in addition to, and not part of, the Maximum Policy Limit of Liability shown in Item 3 of the Declarations and the Maximum Coverage Section Limit of Liability.

All other terms and conditions of this **Policy** remain unchanged.

CYBER INCIDENT RESPONSE COACH RETENTION ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

THE WESTCHESTER PORTFOLIO CYBER & PROFESSIONAL LIABILITY POLICY

In consideration of the premium charged it is agreed that in row A.1 of the Cyber Coverage Section portion of the Declarations the Retention cell is amended to add the following:

Except **Cyber Incident Response Coach:** \$0

All other terms and conditions of this **Policy** remain unchanged.

CYBER CRIME ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

THE WESTCHESTER PORTFOLIO CYBER & PROFESSIONAL LIABILITY POLICY

In consideration of the premium charged it is agreed that the Cyber Coverage Section is amended as follows:

1. Item 4. of the Declarations is amended to include the following:

Cyber Crime Insuring Agreements	<u>Each Loss Limit of Liability</u>	<u>Aggregate Limit of Liability</u>	<u>Each Loss Retention</u>
Funds Transfer Fraud Limit of Liability	\$ 500,000	\$ 500,000	\$ 15,000
Computer Fraud Limit of Liability	\$ 500,000	\$ 500,000	\$ 15,000
Social Engineering Fraud Limit of Liability	\$ 500,000	\$ 500,000	\$ 15,000

2. Section I, Insuring Agreements, of the Cyber Coverage Section is amended by adding the following to the end thereof:

CYBER CRIME INSURING AGREEMENTS

Funds Transfer Fraud

The **Insurer** will pay for loss of **Money** or **Securities** sustained by an **Insured** resulting directly from **Funds Transfer Fraud** committed by a third party which is **Discovered** during the **Policy Period**.

Computer Fraud

The **Insurer** will pay the **Insured** for loss of **Money**, **Securities**, or **Property** sustained by an **Insured** resulting directly from **Computer Fraud** committed by a third party which is **Discovered** during the **Policy Period**.

Social Engineering Fraud

The **Insurer** shall pay the **Insured** for loss of **Money** or **Securities** sustained by an **Insured** resulting directly from **Social Engineering Fraud** committed by a person purporting to be a **Vendor**, **Client**, or an **Employee** who was authorized by the **Insured** to instruct other **Employees** to transfer **Money** or **Securities** which is **Discovered** during the **Policy Period**.

Hereinafter, the above Insuring Agreements shall be collectively referred to as the "Cyber Crime Insuring Agreements".

3. Section II, Definitions, of the Cyber Coverage Section is amended to include the following:
- **Client** means a customer of an **Organization** to whom such **Organization** provides goods or services under written contract or for a fee.
 - **Computer Fraud** means the unlawful taking of **Money**, **Securities**, or **Property** resulting from a **Computer Violation**.
 - **Computer Violation** means the unauthorized entry into, or transmission of corrupting or harmful software code into, the **Insured's Computer System** which is directed against an **Insured**.

- **Cryptocurrency** means a digital or electronic medium of exchange, operating independently of a central bank, in which encryption techniques are used to regulate the generation of units and to verify the transfer of such units.
 - **Discovery or Discovered** means knowledge acquired by a **Control Group Member** of an **Insured** which would cause a reasonable person to believe a covered loss has occurred or an occurrence has arisen that may subsequently result in a covered loss. This includes loss:
 1. sustained prior to the inception date of any coverage under this endorsement;
 2. which does not exceed the Retention set forth in Item 4. of the Declarations; or
 3. the exact amount or details of which are unknown.
 - **Employee** means any natural person in the regular service of an **Insured** in the ordinary course of such **Insured's** business, whom such **Insured** governs and directs in the performance of such service, including a part-time, seasonal, leased and temporary employee, intern, or volunteer. Any natural person that otherwise meets the foregoing definition shall be considered an **Employee** even if such person's title is that of partner, principal, director, officer, or if such person is a **Control Group Member**.
 - **Funds Transfer Fraud** means fraudulent electronic, telegraphic, cable, teletype, facsimile, telephone, or written instructions (other than forgery), purportedly issued by an **Insured**, and issued to a financial institution directing such institution to transfer, pay, or deliver **Money** or **Securities** from any account maintained by such **Insured** at such institution, without such **Insured's** knowledge or consent.
 - **Money** means currency, coin, bank notes, and bullion. However, **Money** does not mean **Securities** or any **Cryptocurrency**.
 - **Property** means any tangible property other than **Money** and **Securities**. **Property** does not include **Digital Data**.
 - **Securities** means negotiable and nonnegotiable instruments or contracts representing either **Money** or property including revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use, casino chips, tokens, and tickets, provided that **Securities** does not include **Money** or any **Cryptocurrency**.
 - **Social Engineering Fraud** means the intentional misleading of an **Employee**, through misrepresentation of a material fact which is relied upon by an **Employee**, believing it be genuine which results in the transferring, payment, or delivery of **Money** or **Securities**.
 - **Vendor** means any entity or natural person that has provided goods or services to an **Insured** under a legitimate pre-existing arrangement or written agreement. However, **Vendor** does not include any financial institution, asset manager, broker-dealer, armored motor vehicle company, or any similar entity.
4. Solely with respect to the coverage provided by this endorsement, the definition of **Insured** set forth in Section II, Definitions, of the Cyber Coverage Section is deleted and replaced with the following:
- Insured** means the **Named Insured** and its **Subsidiaries**.
5. Solely with respect to the coverage provided by this endorsement, Section III, Exclusions, of the Cyber Coverage Section is deleted and replaced with the following:
- A. No coverage will be available for:
1. loss due to kidnap, ransom, or any other extortion payment surrendered to any person as a result of a threat to do bodily harm to any person or a threat to do damage to any property;

2. loss involving:

- a. the disclosure of an **Insured's** or another entity or person's confidential or personal information while in the care, custody, or control of an **Insured**, including but not limited to patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information, or any similar type of non-public information;
- b. loss involving the use of another entity or person's confidential or personal information while in the care, custody, or control of an **Insured**, including but not limited to patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information, or any similar type of non-public information; or
- c. fees, costs, fines, penalties, or any other expenses incurred by an **Insured** which result, directly or indirectly, from the access to or disclosure of another entity or person's confidential or personal information, including but not limited to patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information, or any similar type of nonpublic information,

provided that this Exclusion 2. a. and b. shall not apply to loss that is otherwise covered under any Cyber Crime Insuring Agreement;

3. loss or damage due to declared or undeclared war, civil war, insurrection, rebellion, revolution, military, naval or usurped power, governmental intervention, expropriation or nationalization, or any act or condition incident to any of the foregoing;
 4. loss or damage due to nuclear reaction, nuclear radiation, or radioactive contamination, or any act or condition incident to any of the foregoing;
 5. loss of income not realized as the result of a covered loss;
 6. indirect or consequential loss of any kind;
 7. fees, costs, or expenses incurred or paid in defending or prosecuting any legal proceeding or claim;
 8. loss sustained by one **Insured** to the advantage of any other **Insured**;
 9. loss or damage due to **Computer Fraud** or **Funds Transfer Fraud** or other fraudulent, dishonest, or criminal act committed by any authorized representative of an **Insured**, whether acting alone or in collusion with others.
- B. With respect to the Funds Transfer Fraud and Computer Fraud Insuring Agreements, no coverage will be available for loss resulting from any transfer, payment, or delivery of **Money**, **Securities**, or **Property** approved by an **Employee**, or arising out of any misrepresentation received by any **Employee**, agent, independent contractor, or other representative of the **Insured**, whether such transfer, payment, or delivery was made in good faith or as a result of trick, artifice, fraud, or false pretenses.
- C. With respect to the Social Engineering Fraud Insuring Agreement, the **Insurer** shall not be liable for:
1. loss or damage to **Money** or **Securities** as a result of **Computer Fraud** or **Funds Transfer Fraud**;
 2. loss due to any investment in **Securities**, or ownership in any corporation, partnership, real property, or similar instrument, whether or not such investment is genuine;
 3. loss due to the failure of any party to perform, in whole or in part, under any contract;
 4. loss due to the extension of any loan, credit, or similar promise to pay;

5. loss due to any party's use of or acceptance of any credit card, debit card, or similar instrument, whether or not genuine;
 6. loss due to any person purporting to be a representative of any financial institution, asset manager, broker-dealer, armored motor vehicle company, or any similar entity;
 7. loss of **Money** or **Securities** while in the mail or in the custody of any carrier for hire, including but not limited to any armored motor vehicle company;
 8. loss due to the failure, malfunction, inadequacy, or illegitimacy of any product or service;
 9. loss of or damage to any **Property**;
 10. loss due to any gambling, game of chance, lottery, or similar game;
- D. In addition to the amended Section III, Exclusions of the Cyber Coverage Section no coverage will be available for:
1. loss unless sustained by any **Insured** at any time, and **Discovered** during the **Policy Period** and prior to the termination of the coverage provided by this endorsement as to such **Insured**;
 2. loss unless sustained by any **Insured** at any time, and **Discovered** during the **Policy Period** and prior to the termination of any Cyber Crime Insuring Agreement or any particular coverage offered under any Cyber Crime Insuring Agreement;
 3. loss unless sustained by any **Insured** at any time, and **Discovered** during the **Policy Period** and prior to the termination of the coverage provided by this endorsement in its entirety,

provided that in no event will coverage be available under this coverage for such loss if such loss is covered under any renewal or replacement of this coverage or any Cyber Crime Insuring Agreement or any particular coverage offered under any Cyber Crime Insuring Agreement.

6. Solely with respect to the coverage provided by this endorsement, Section VI, Extended Reporting Period, of the General Terms and Conditions, is deleted.
7. Solely with respect to the coverage provided by this endorsement, Section IV, Limits of Liability, is deleted and replaced with the following:

The **Insurer** will pay for loss sustained by an **Insured** at any time and **Discovered** during the **Policy Period**.

The **Insurer's** maximum liability for each loss shall not exceed the Limit of Liability applicable to such loss, as set forth in Item 4 of the Declarations for this **Policy**, as amended by this endorsement, regardless of the number of **Insureds** sustaining such loss.

The **Insurer's** maximum liability shall not exceed the Limit of Liability:

1. Applicable to the Funds Transfer Fraud Insuring Agreement: for all loss or losses resulting from any act, casualty, or event, any series of related acts, casualties, or events, or any act or series of acts committed by one natural person or entity, or in which the same group of natural persons or entities acting together are implicated, regardless of whether such act, casualty, or event or series of acts, casualties, or events was committed or occurred before or during the **Policy Period**.

2. Applicable to the Computer Fraud Insuring Agreement: for all loss or losses resulting from any act, casualty, or event, any series of related acts, casualties, or events, or any act or series of acts committed by one natural person or entity, or in which the same group of natural persons or entities acting together are implicated, regardless of whether such act, casualty, or event or series of acts, casualties, or events was committed or occurred before or during the **Policy Period**.
3. Applicable to the Social Engineering Fraud Insuring Agreement: for all loss or losses resulting from any act, casualty, or event, any series of related acts, casualties, or events, or any act or series of acts committed by one natural person or entity, or in which the same group of natural persons or entities acting together are implicated, regardless of whether such act, casualty, or event or series of acts, casualties, or events was committed or occurred before or during the **Policy Period**.

If a loss is covered under more than one Cyber Crime Insuring Agreement, the maximum amount payable under this **Policy** shall not exceed the largest applicable Limit of Liability of any such Cyber Crime Insuring Agreement.

The **Insurer's** total cumulative liability for all loss **Discovered** during the **Policy Period** shall not exceed the applicable Cyber Crime Aggregate Limit of Liability as set forth in Item 4. of the Declarations. Such amount shall be part of and not in addition to the Maximum Policy Aggregate Limit of Liability as stated in Item 3. of the Declarations. Each payment made under the terms of this endorsement shall reduce the unpaid portion of the applicable Cyber Crime Aggregate Limit of Liability and the Maximum Policy Aggregate Limit of Liability until they are exhausted.

On exhausting the applicable Cyber Crime Aggregate Limit of Liability by such payments the **Insurer** shall have no further liability for loss or losses regardless of when **Discovered** and whether or not previously reported to the **Insurer**; and the unpaid portion of the applicable Cyber Crime Aggregate Limit of Liability and Maximum Policy Aggregate Limit of Liability shall not be increased or reinstated by any recovery made and applied in accordance with Section XVI. Recoveries (as amended in paragraph 17 of this endorsement). In the event that a loss of **Securities** is settled by indemnity in lieu of payment, then such loss shall not reduce the unpaid portion of the applicable Cyber Crime Aggregate Limit of Liability or Maximum Policy Limit of Liability.

8. Solely with respect to the coverage provided by this endorsement, Section V, Retention and Coinsurance, of the Cyber Coverage Section is deleted and replaced with the following:
 - A. The **Insurer's** liability under this **Policy** shall apply only to that part of each loss which is in excess of the applicable Retention set forth in Item 4 of the Declarations for this **Policy**.
 - B. If an **Insured** receives payment under another policy or bond, after applying a deductible or retention, for loss also covered hereunder, then the applicable Retention set forth in Item 4 of the Declarations as amended by this endorsement shall be reduced by the deductible or retention previously applied to such loss.

Notwithstanding the foregoing, if an **Insured** receives payment under another policy or bond, including but not limited to the **Other Crime Policy**, as set forth in paragraph 13., amended Section XIII., Other Insurance, of this endorsement, after applying a deductible or retention, for loss also covered hereunder, then the Retention set forth in Item 4 of the Declarations shall be reduced, up to the amount of such Retention, by the sum of:

1. the deductible or retention amount previously applied to such loss, and
2. any amount paid with respect to such loss under such other policy or bond.

9. Solely with respect to the coverage provided by this endorsement, Section VIII, Notice, of the General Terms and Conditions is deleted and replaced with the following:

VIII. NOTICE AND PROOF OF LOSS

- A. Knowledge possessed by any **Insured** or **Discovery** shall be deemed knowledge possessed by or **Discovery** by all **Insureds**.
- B. It is a condition precedent to coverage hereunder that, upon **Discovery**, the **Named Insured** will:
1. give written notice to the **Insurer** as soon as practicable but in no event later than 90 days after such **Discovery**;
 2. furnish affirmative proof of loss with full particulars to the **Insurer** as soon as practicable but in no event later than 180 days after such **Discovery**;
 3. submit to examination under oath at the **Insurer's** request;
 4. produce all pertinent records at such reasonable times and places as the **Insurer** shall designate; and
 5. provide full cooperation with the **Insurer** in all matters pertaining to a loss or claim.
- C. The **Insured** may offer a comparison between an **Insured's** inventory records and actual physical count of its inventory to prove the amount of loss only where an **Insured** establishes wholly apart from such comparison that it has sustained a covered loss caused by a third party.
10. Solely with respect to the coverage provided by this endorsement, Section X, Defense and Settlement, of the General Terms and Conditions is deleted in its entirety.
11. Solely with respect to the coverage provided by this endorsement, Section VIII, Duties In The Event Of A Cyber Incident, in the Cyber Coverage Section is deleted.
12. Solely with respect to the coverage provided by this endorsement, Section XII, Allocation, of the General Terms and Conditions is deleted.
13. Solely with respect to the coverage provided by this endorsement, Section XIII, Other Insurance, of the General Terms and Conditions is deleted and replacing with the following:

If an **Insured** or any other party at interest in any loss covered by this **Policy** has any crime insurance, bond, indemnity, or similar insurance (the "**Other Crime Policy**"), which would cover such loss in whole or in part in the absence of this **Policy**, then this **Policy** shall be null and void to the extent of the amount recoverable or received under the **Other Crime Policy**; but this **Policy** shall cover such loss, subject to its exclusions, conditions, and other terms, only to the extent of the amount of such loss in excess of the amount recoverable or received under the **Other Crime Policy**.

Nothing in this endorsement is meant nor shall it be construed to obligate the **Insurer** to comply with the terms and conditions of any other insurance policy or bond, including but not limited to the **Other Crime Policy**.

14. Section VII, Material Changes In Exposure, of the General Terms and Conditions is deleted and replaced with the following:

A. ACQUISITION OR CREATION OF ANOTHER ORGANIZATION

If, during the **Policy Period**, the **Named Insured**:

1. acquires voting securities in another organization or creates another organization, which as a result of such acquisition or creation becomes a **Subsidiary**; or

2. acquires any organization by merger into or consolidation with the **Named Insured**;

then, subject to the terms and conditions of this **Policy** and Coverage Section, such organization shall be covered under this **Policy** but only with respect to loss resulting directly from **Computer Fraud**, **Funds Transfer Fraud**, or **Social Engineering Fraud** sustained after such acquisition or creation, unless the **Insurer** agrees to provide coverage by endorsement for **Computer Fraud**, **Funds Transfer Fraud**, or **Social Engineering Fraud** which took place prior to such acquisition or creation.

B. ACQUISITION OF THE NAMED INSURED

If, during the **Policy Period**, any of the following events occurs:

1. the acquisition of the **Named Insured**, or of all or substantially all of its assets, by another entity, or the merger or consolidation of the **Named Insured** into or with another entity such that the **Named Insured** is not the surviving entity; or
2. the obtaining by any person, entity, or affiliated group of persons or entities of the right to elect, appoint, or designate at least 50% of the directors of the **Named Insured**;

then coverage under this **Policy** will continue in full force and effect until termination of this **Policy**, but only with respect to loss resulting directly from **Computer Fraud**, **Funds Transfer Fraud**, or **Social Engineering Fraud** sustained before such event. Coverage under this **Policy** will cease as of the effective date of such event with respect to loss resulting directly from **Computer Fraud**, **Funds Transfer Fraud**, or **Social Engineering Fraud** sustained after such event. This **Policy** may be cancelled by the **Named Insured** on or after the effective time of the event, and the **Insurer** shall refund the unearned premium computed *pro rata*, calculated as of the date on which the **Insurer** receives a communication from the **Insured** requesting cancellation of this **Policy**. The **Insurer** will be under no obligation to accept requests to retroactively cancel this **Policy**.

C. Termination of a **Subsidiary**

If before or during the **Policy Period** an organization ceases to be a **Subsidiary**, coverage with respect to the **Subsidiary** shall continue until termination of this **Policy**. Such coverage continuation shall apply only with respect to loss resulting directly from **Computer Fraud**, **Funds Transfer Fraud**, or **Social Engineering Fraud** sustained prior to the date such organization ceased to be a **Subsidiary**.

15. Solely with respect to the coverage provided by this endorsement, Section XVIII, Representations, of the General Terms and Conditions is deleted and replaced with the following:

XVIII. CONCEALMENT, MISREPRESENTATION OR FRAUD

This **Policy** is void in any case of fraud by the **Insured** as it relates to this **Policy** at any time. It is also void if any **Insured**, at any time, intentionally conceals or misrepresents a material fact concerning:

1. this **Policy**;
2. the property covered under this **Policy**;
3. the **Insured's** interest in the property covered under this **Policy**; or
4. a claim under this **Policy**.

16. Solely with respect to the coverage provided by this endorsement, Section XIX, Territory And Valuation, of the General Terms and Conditions is deleted and replaced with the following:

The **Insurer** shall pay:

1. the actual market value of lost, damaged, or destroyed **Securities** at the closing price of such **Securities** on the business day immediately preceding the day on which a loss is **Discovered**; or the cost of replacing **Securities**, whichever is less, plus the cost to post a Lost Instrument Bond;
2. the cost of blank books, pages, or tapes or other blank materials to replace lost or damaged books of account or other records;
3. the least of:
 - a. the actual cash value of the **Property**; or
 - b. the cost to repair or replace **Property**, other than precious metals, with that of similar quality and value, at the time the **Insured** complies with Section VIII, Notice and Proof of Loss, as set forth Section 9 of this endorsement, regarding the furnishing of proof of loss;
4. the United States of America dollar value of foreign currency based on the rate of exchange published in The Wall Street Journal on the day loss involving foreign currency is **Discovered**; or
5. the United States of America dollar value of any precious metals based on the rate of exchange published in The Wall Street Journal Cash Prices, Precious Metals, on the day loss involving foreign currency is **Discovered**.

17. Solely with respect to the coverage afforded by this endorsement, Section XVI, Subrogation, of the General Terms and Conditions is deleted and replaced with the following:

XVI. RECOVERIES

Recoveries for any loss under this coverage, whether effected by the **Insurer** or by an **Insured**, less the cost of recovery, shall be distributed as follows:

1. first, to an **Insured** for the amount of such loss, otherwise covered, in excess of the applicable Limits of Insurance;
2. second, to the **Insurer** for the amount of such loss paid to an **Insured** as covered loss;
3. third, to an **Insured** for the Retention applicable to such loss;
4. fourth, to an **Insured** for the amount of such loss not covered under this endorsement.

Recovery from reinsurance or indemnity of the **Insurer** shall not be deemed a recovery hereunder.

18. Solely with respect to the coverage afforded by this endorsement, Section XVII, Authorization, of the General Terms and Conditions is amended by adding the following after the term "**Claim**" and before "**Covered Subpoena**" in the second line of the first sentence:

,the notice of a loss pursuant to the Cyber Crime Insuring Agreements,

19. The following Sections are added to the Cyber Coverage Section with respect to the coverage provided by this endorsement:

OWNERSHIP

The **Insurer's** liability under this **Policy** will apply only to **Money, Securities, or Property** owned by the **Insured** or for which the **Insured** is legally liable, or held by the **Insured** in any capacity whether or not the **Insured** is liable.

NON-ACCUMULATION OF LIABILITY

- A. When there is more than one **Insured**, the maximum liability of the **Insurer** for loss sustained by any or all **Insureds** shall not exceed the amount for which the **Insurer** would be liable if all loss was sustained by any one **Insured**.
- B. Regardless of the number of years this coverage remains in effect and the total premium amounts due or paid, whether under this **Policy**, any prior bond or policy, or any renewal or replacement of this **Policy**, the liability of the **Insurer** with respect to any loss shall not be cumulative from year to year or from **Policy Period** to **Policy Period**.

TERMINATION OF PRIOR BONDS OR POLICIES

Any prior bonds or policies issued by the **Insurer** or any subsidiary or affiliate of Chubb shall terminate, if not already terminated, as of the inception of this **Policy**.

All other terms and conditions of this **Policy** shall remain unchanged.

DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

THE WESTCHESTER PORTFOLIO CYBER & PROFESSIONAL LIABILITY POLICY

Disclosure Of Premium

In accordance with the federal Terrorism Risk Insurance Act, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for terrorist acts certified under the Terrorism Risk Insurance Act. The portion of your premium attributable to such coverage is shown in this endorsement or in the policy Declarations.

Disclosure Of Federal Participation In Payment Of Terrorism Losses

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals; 80% of that portion of the amount of such insured losses that exceeds the applicable insurer retention. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

Cap On Insurer Participation In Payment Of Terrorism Losses

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

COVERAGE OF "ACTS OF TERRORISM" AS DEFINED BY THE REAUTHORIZATION ACT WILL BE PROVIDED FOR THE PERIOD FROM THE EFFECTIVE DATE OF YOUR NEW OR RENEWAL POLICY THROUGH THE EARLIER OF THE POLICY EXPIRATION DATE OR DECEMBER 31, 2027. EFFECTIVE DECEMBER 31, 2027 THE TERRORISM RISK INSURANCE PROGRAM REAUTHORIZATION ACT EXPIRES.

Terrorism Risk Insurance Act premium: \$0

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

THE WESTCHESTER PORTFOLIO CYBER & PROFESSIONAL LIABILITY POLICY

- A. If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

“Certified act of terrorism” means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a “certified act of terrorism” include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
 2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
- B. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any “loss” that is otherwise excluded under this **Policy**.

All other terms, conditions and limitations of this **Policy** shall remain unchanged.

Chubb Producer Compensation Practices & Policies

Chubb believes that policyholders should have access to information about Chubb's practices and policies related to the payment of compensation to brokers and independent agents. You can obtain that information by accessing our website at <http://www.chubbproducercompensation.com> or by calling the following toll-free telephone number:

1-866-512-2862.

This insurance does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit us from providing insurance, including, but not limited to, the payment of claims. All other terms and conditions of the policy remain unchanged.

ILLINOIS NOTICE TO POLICYHOLDERS REGARDING THE RELIGIOUS FREEDOM PROTECTION AND CIVIL UNION ACT

Dear Policyholder:

This is to provide notice that, pursuant to Illinois Department of Insurance Company Bulletin 2011-06 (CB 2011-06), this policy is in compliance with the Illinois Religious Freedom Protection and Civil Union Act ("the Act", 750 ILL. COMP. STAT. 75/1). The Act, which became effective on June 1, 2011, creates a legal relationship between two persons of either the same or opposite sex who establish a civil union.

The Act provides that parties to a civil union are entitled to the same legal obligations, responsibilities, protections and benefits that are afforded or recognized by the law of Illinois to spouses, whether they are derived from statute, administrative rule, policy, common law or any source of civil or criminal law. In addition, this law requires recognition of a same-sex civil union, marriage, or other substantially similar legal relationship, except for common law marriage, legally entered into in other jurisdictions. The Act further provides that "party to a civil union" shall be included in any definition or use of the terms "spouse", "family", "immediate family", "dependent", "next of kin" and other terms descriptive of spousal relationships as those terms are used throughout the law. According to CB 2011-06, this includes the terms "marriage" or "married" or any variations thereof. CB 2011-06 also states that if policies of insurance provide coverage for children, the children of civil unions must also be provided coverage.

U.S. Treasury Department's Office Of Foreign Assets Control ("OFAC") Advisory Notice to Policyholders

This Policyholder Notice shall not be construed as part of your policy and no coverage is provided by this Policyholder Notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided.

This Notice provides information concerning possible impact on your insurance coverage due to directives issued by OFAC. **Please read this Notice carefully.**

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions policy, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous:

- Foreign agents;
- Front organizations;
- Terrorists;
- Terrorist organizations; and
- Narcotics traffickers;

as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's web site – <http://www.treas.gov/ofac>.

In accordance with OFAC regulations, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance are immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.

10/28/2025

Renewal of Policy # UH WCP 100100439

ROCK ISLAND MILAN SCHOOL DISTRICT #41
2000 7TH AVE
ROCK ISLAND, IL 61201

ARTHUR J. GALLAGHER RISK MANAGEMENT SERVICES LLC
- DAVENPORT
220 EMERSON PLACE, SUITE 200
DAVENPORT, IA 52801

Summary

Option: Guaranteed Cost

Insurance Company	Accident Fund Insurance Company of America	Total Estimated Premium	\$898,358.00
Effective Date	12/01/2025		
Expiration Date	12/01/2026		
Quote Valid Through	12/01/2025		
Payment Terms		Total Plan Cost	\$898,358.00
10 pay 15% down - Direct Bill			

Details for **Guaranteed Cost**

Quoted Rates by Class Code

Illinois - 12/01/2025 through 12/01/2026					
Loc.	Classification	Code	Premium Basis Total Estimated Annual Renumeration	Rate Per \$100 of Renumeration	Estimated Annual Premium
1	DRIVERS, CHAUFFEURS MESSENGERS, AND THEIR HELPERS NOC-COMMERCIAL	7380	225540	8.9300	\$20,141.00
1	COLLEGE PROFESSIONAL EMPLOYEES & CLERICAL	8868	58262587	0.3500	\$203,919.00
1	COLLEGE ALL OTHER EMPLOYEES	9101	3910248	3.5000	\$136,859.00
	Total Manual Premium				\$360,919.00
	Employers Liability (E/L) increased limits factor	9812	360919	0.0140	\$5,053.00
	Total Subject Premium				\$365,972.00
	Experience Modifier	9898	365972	2.2000	\$439,166.00
	Total Modified Premium				\$805,138.00
	Schedule Rating Debit	9889	805138	1.2000	\$161,028.00
	Total Standard Premium				\$966,166.00
	Premium Discount	0063	966166	0.8925	(\$103,863.00)
	Expense Constant	0900	1	160	\$160.00
	Terrorism Premium	9740	62398375	0.0220	\$13,728.00
	Catastrophe Premium	9741	62398375	0.0200	\$12,480.00
	Estimated Annual Premium				\$888,671.00
	Other Premium and Surcharges				
	WC Commission Surcharge	IL CS	888671	0.0109	\$9,687.00
	Total Amount Due				\$898,358.00

Total Estimated Annual Premium \$898,358.00

Coverages and Endorsements

We have reviewed the application and are providing those coverages provided by the standard Workers' Compensation Policy and any state-mandated endorsements. Any coverages or endorsements not specifically mentioned in this quote are not included with this proposal.

Item 3A (WC): IL

Item 3B Employers' Liability

Each Accident: \$1,000,000

Disease - Policy Limit: \$1,000,000

Disease - Each Employee: \$1,000,000

Item 3C (Other States): All states and U.S. territories except: monopolistic states, Puerto Rico, the U.S. Virgin Islands, and states designated in Item 3A of the Information Page

Premium Payments and Schedule

This schedule is an estimate only. Please refer to the direct bill invoice which will include due dates and other policies billings, if applicable. It is hereby agreed and understood that the premium is to be paid on an installment basis as follows:

	Due Date	Amount Due	Billing Method(s)
1	12/01/2025	\$142,987.65	Direct Bill
2	01/01/2026	\$83,930.04	
3	02/01/2026	\$83,930.04	Installment Plan(s): 10 pay 15% down - Direct Bill See the attached Notice of Installment Payment worksheets for additional information.
4	03/01/2026	\$83,930.04	
5	04/01/2026	\$83,930.04	
6	05/01/2026	\$83,930.04	
7	06/01/2026	\$83,930.04	
8	07/01/2026	\$83,930.04	
9	08/01/2026	\$83,930.04	
10	09/01/2026	\$83,930.03	
Total Amount Due		\$898,358.00	

Terms and Conditions

- This quote is based on payrolls, rates and experience modifications currently in effect as outlined below. Any changes to these values or other rating factors, as mandated by regulatory entities, may result in adjustments to our proposal. Additionally United Heartland reserves the right to adjust the quote if the payrolls or premiums change more than 10% prior to policy issuance.
 - If during the course of the policy, the scope of the Insured's operations materially changes, we reserve the right to adjust the pricing and/or program(s) offered based on the exposures, losses and risk characteristics.

Disclaimers

This quotation is valid until policy effective date but is subject to change prior to acceptance if there is a change in exposure, or a change in rates or other items required to be charged by applicable jurisdictions.

Fee Disclosures: Unless prohibited by state law, the following fees may be charged to underwritten policies:

Paper Invoice Fee:	Insufficient Funds Fee:	Reinstatement Fee:
\$5	\$20	Up to \$20*

*Depending on payment plan

Applicant's Signature X _____ Date ____ / ____ / ____

Signature of Agent/Producer X _____ Date ____ / ____ / ____

DEDUCTIBLE NOTICE OF ELECTION/REJECTION

You are receiving this notice because the law of one or more of the states on your policy requires insurers to offer a small deductible applicable to medical and/or indemnity benefits. The insurance applies only to benefits payable under the state indicated. When a deductible is elected, the policyholder is required to reimburse the insurance carrier for benefits payable under the law up to the deductible amount and a credit is applied to the policy (except Florida – no credit applied).

Premium credits are determined based on the deductible selected and the hazard group. The hazard group is determined by the classification that produces the largest amount of estimated workers' compensation standard premium (per state).

You are not required to choose a deductible. If you do choose one, your insurance company will pay the deductible amount for you, but you must reimburse the insurance company within 30 days after they send you notice that payment is due. If you fail to reimburse the insurance company, they may cancel the policy upon state requirements for written notice and any resulting premium may be applied to the deductible amount owed.

If deductible is desired for any of the states appearing on your policy that require carriers to offer small deductibles, please indicate below.

☐ No, I do not want a deductible policy.

ALABAMA

☐ Yes, I want a medical and indemnity deductible of (choose only one amount) per claim.

<input type="checkbox"/> \$100	<input type="checkbox"/> \$300	<input type="checkbox"/> \$500	<input type="checkbox"/> \$1,500	<input type="checkbox"/> \$2,500
<input type="checkbox"/> \$200	<input type="checkbox"/> \$400	<input type="checkbox"/> \$1,000	<input type="checkbox"/> \$2,000	

ARKANSAS – Choose only one type:

☐ Yes, I want a medical deductible of (choose only one amount) per claim.

<input type="checkbox"/> \$1,000	<input type="checkbox"/> \$2,000	<input type="checkbox"/> \$3,000	<input type="checkbox"/> \$4,000	<input type="checkbox"/> \$5,000
<input type="checkbox"/> \$1,500	<input type="checkbox"/> \$2,500	<input type="checkbox"/> \$3,500	<input type="checkbox"/> \$4,500	

☐ Yes, I want an indemnity deductible of (choose only one amount) per claim.

<input type="checkbox"/> \$1,000	<input type="checkbox"/> \$2,000	<input type="checkbox"/> \$3,000	<input type="checkbox"/> \$4,000	<input type="checkbox"/> \$5,000
<input type="checkbox"/> \$1,500	<input type="checkbox"/> \$2,500	<input type="checkbox"/> \$3,500	<input type="checkbox"/> \$4,500	

☐ Yes, I want a medical and indemnity deductible of (choose only one amount) per claim.

<input type="checkbox"/> \$1,000	<input type="checkbox"/> \$2,000	<input type="checkbox"/> \$3,000	<input type="checkbox"/> \$4,000	<input type="checkbox"/> \$5,000
<input type="checkbox"/> \$1,500	<input type="checkbox"/> \$2,500	<input type="checkbox"/> \$3,500	<input type="checkbox"/> \$4,500	

COLORADO

☐ Yes, I want a medical and indemnity deductible of (choose only one amount) per claim.

<input type="checkbox"/> \$500	<input type="checkbox"/> \$1,500	<input type="checkbox"/> \$2,500	<input type="checkbox"/> \$10,000	<input type="checkbox"/> \$14,500
<input type="checkbox"/> \$1,000	<input type="checkbox"/> \$2,000	<input type="checkbox"/> \$5,000	<input type="checkbox"/> \$13,500	

FLORIDA

☐ Yes, I want the state-authorized \$2,500 deductible plan (with no premium credit).

GEORGIA

☐ Yes, I want a deductible of (choose only one amount) per compensable claim.

<input type="checkbox"/> \$100	<input type="checkbox"/> \$300	<input type="checkbox"/> \$500	<input type="checkbox"/> \$1,500	<input type="checkbox"/> \$2,500
<input type="checkbox"/> \$200	<input type="checkbox"/> \$400	<input type="checkbox"/> \$1,000	<input type="checkbox"/> \$2,000	

HAWAII

☐ Yes, I want a medical deductible of (choose only one amount) per claim.

<input type="checkbox"/> \$100	<input type="checkbox"/> \$300	<input type="checkbox"/> \$1,000	<input type="checkbox"/> \$3,000	<input type="checkbox"/> \$5,000
<input type="checkbox"/> \$150	<input type="checkbox"/> \$400	<input type="checkbox"/> \$1,500	<input type="checkbox"/> \$3,500	<input type="checkbox"/> \$7,500
<input type="checkbox"/> \$200	<input type="checkbox"/> \$500	<input type="checkbox"/> \$2,000	<input type="checkbox"/> \$4,000	<input type="checkbox"/> \$10,000
<input type="checkbox"/> \$250	<input type="checkbox"/> \$750	<input type="checkbox"/> \$2,500	<input type="checkbox"/> \$4,500	

ILLINOIS

☐ Yes, I want a medical deductible of \$1,000 per accident.

KENTUCKY

☐ Yes, I want a medical and indemnity deductible of (choose only one amount) per accident or disease.

<input type="checkbox"/> \$100	<input type="checkbox"/> \$400	<input type="checkbox"/> \$1,000	<input type="checkbox"/> \$2,500	<input type="checkbox"/> \$7,500
<input type="checkbox"/> \$200	<input type="checkbox"/> \$500	<input type="checkbox"/> \$1,500	<input type="checkbox"/> \$5,000	<input type="checkbox"/> \$10,000
<input type="checkbox"/> \$300				

MAINE - Choose only one type

☐ Yes, I want an indemnity deductible of (choose only one amount) per claim.

<input type="checkbox"/> \$1,000	<input type="checkbox"/> \$5,000
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Note: The following option is only available to employers who are not experience rated.

☐ Yes, I want a medical deductible of \$250 per accident for bodily injury or disease.

Note: The following option is only available to employers who are experience rated.

☐ Yes, I want a medical and indemnity deductible of (choose only one amount) per occurrence.

<input type="checkbox"/> \$250	<input type="checkbox"/> \$500
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MASSACHUSETTS

☐ Yes, I want a medical and indemnity deductible of (choose only one) per claim.

<input type="checkbox"/> \$500	<input type="checkbox"/> \$1,000	<input type="checkbox"/> \$2,000	<input type="checkbox"/> \$2,500	<input type="checkbox"/> \$5,000
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MINNESOTA

☐ Yes, I want a medical deductible of (choose only one amount) per claim.

<input type="checkbox"/> \$100	<input type="checkbox"/> \$200	<input type="checkbox"/> \$500	<input type="checkbox"/> \$1,500	<input type="checkbox"/> \$5,000
<input type="checkbox"/> \$150	<input type="checkbox"/> \$250	<input type="checkbox"/> \$1,000	<input type="checkbox"/> \$2,000	<input type="checkbox"/> \$10,000
			<input type="checkbox"/> \$2,500	<input type="checkbox"/> \$25,000

MONTANA - Choose only one type:

☐ Yes, I want a medical deductible of (choose only one amount) per claim.

<input type="checkbox"/> \$500	<input type="checkbox"/> \$1,000	<input type="checkbox"/> \$1,500	<input type="checkbox"/> \$2,000	<input type="checkbox"/> \$2,500
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NEBRASKA

☐ Yes, I want a medical deductible of (choose only one amount) per claim.
_____ \$500 _____ \$1,000 _____ \$1,500 _____ \$2,000 _____ \$2,500

NEW HAMPSHIRE – Choose only one type:

☐ Yes, I want a medical and indemnity deductible of (choose only one amount) per claim.
_____ \$500 _____ \$1,500 _____ \$2,000 _____ \$2,500 _____ \$5,000
_____ \$1,000

☐ Yes, I want a medical and indemnity deductible of (choose only one amount) per accident or per disease.
_____ \$500 _____ \$1,500 _____ \$2,000 _____ \$2,500 _____ \$5,000
_____ \$1,000

NEW MEXICO

☐ Yes, I want a medical and indemnity deductible of (choose only one amount) per accident or per disease.
_____ \$500 _____ \$1,500 _____ \$2,500 _____ \$5,000 _____ \$10,000
_____ \$1,000 _____ \$2,000

NEW YORK

☐ Yes, I want a medical and indemnity deductible of (choose only one amount) per claim.
_____ \$100 _____ \$300 _____ \$500 _____ \$1,500 _____ \$2,500
_____ \$200 _____ \$400 _____ \$1,000 _____ \$2,000 _____ \$5,000

SOUTH CAROLINA

☐ Yes, I want a medical and indemnity deductible of (choose only one amount) per claim.
_____ \$100 _____ \$300 _____ \$500 _____ \$1,500 _____ \$2,500
_____ \$200 _____ \$400 _____ \$1,000 _____ \$2,000

VERMONT

☐ Yes, I want a medical and indemnity deductible of \$500 per claim.

If you do not return this form to the company within 30 days, it will be construed to mean you have not elected a small deductible option. This form is not part of your policy and does not provide coverage.

Insured Signature (Principal or Officer)

Date

Title

UH WCP 100100439 03
Policy Number

ROCK ISLAND MILAN SCHOOL
DISTRICT #41
Insured Name

12/01/2025
Policy Effective Date