

POLICYHOLDER NOTICE

Thank you for purchasing insurance from a member company of American International Group, Inc. (AIG). The AIG member companies generally pay compensation to brokers and independent agents, and may have paid compensation in connection with your policy. You can review and obtain information about the nature and range of compensation paid by AIG member companies to brokers and independent agents in the United States by visiting our website at www.aig.com/producer-compensation or by calling 1-800-706-3102.



eRisk Hub[®]

When a breach event occurs, time is of the essence. Having a breach response plan in place with access to the third-party resources you need can help you efficiently and cost-effectively respond to and recover from the breach.

As a CyberEdge[®] policyholder, you will receive complimentary access to the eRisk Hub[®] portal, powered by NetDiligence[®]. eRisk Hub provides tools and resources to help you understand your exposures, establish a response plan and minimize the effects of a breach on your organization.

Key Features of the eRisk Hub Portal

- **Incident Roadmap:** includes suggested steps to take following a network or data breach incident, free consultation with a Breach Coach[®] and access to a breach response team
- **News Center:** cyber risk stories, security and compliance blogs, security news, risk management events and helpful industry links
- **Learning Center:** best-practices articles, white papers and webinars from leading technical and legal practitioners
- **Risk Manager Tools:** assists you in managing your cyber risk including a self-assessment and state breach notification laws
- **eRisk Resources:** a directory to quickly find external resources with expertise in pre- and post-breach disciplines

The eRisk Hub portal is an effective way to help your organization combat cyber losses with minimal, controlled and predictable costs.

To learn more about eRisk Hub portal and CyberEdge:

E-mail:
CyberEdge@aig.com

Visit:
www.aig.com/us/CyberEdge

Contact:
Your insurance broker

American International Group, Inc. (AIG) is a leading international insurance organization serving customers in more than 130 countries and jurisdictions. AIG companies serve commercial, institutional, and individual customers through one of the most extensive worldwide property-casualty networks of any insurer. In addition, AIG companies are leading providers of life insurance and retirement services in the United States. AIG common stock is listed on the New York Stock Exchange and the Tokyo Stock Exchange.

AIG is the marketing name for the worldwide property-casualty, life and retirement, and general insurance operations of American International Group, Inc. For additional information, please visit our website at www.aig.com. Products and services are written or provided by subsidiaries or affiliates of American International Group, Inc. Not all products and services are available in every jurisdiction, and insurance coverage is governed by actual policy language. Certain products and services may be provided by independent third parties. Insurance products may be distributed through affiliated or unaffiliated entities. Certain property-casualty coverages may be provided by a surplus lines insurer. Surplus lines insurers do not generally participate in state guaranty funds and insureds are therefore not protected by such funds.



AIG Specialty Insurance Company

A capital stock company

NOTICE: THIS INSURER IS NOT LICENSED IN THE STATE OF NEW YORK AND IS NOT SUBJECT TO ITS SUPERVISION.

Specialty Risk Protector[®]

POLICY NUMBER:

REPLACEMENT OF POLICY NUMBER:

DECLARATIONS

NOTICES

THIS POLICY CONTAINS ONE OR MORE COVERAGE SECTIONS. CERTAIN COVERAGE SECTIONS ARE LIMITED TO LIABILITY FOR CLAIMS THAT ARE FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD AND REPORTED IN WRITING TO THE INSURER AS REQUIRED BY THE TERMS OF THE POLICY. DEFENSE COSTS SHALL REDUCE THE APPLICABLE LIMITS OF LIABILITY AND SUBLIMITS OF LIABILITY AND ARE SUBJECT TO APPLICABLE RETENTIONS.

PLEASE READ THIS POLICY CAREFULLY AND REVIEW IT WITH YOUR INSURANCE AGENT OR BROKER.

ITEMS

1	NAMED ENTITY	Named Entity	<i>State of West Virginia 1124 Smith Street Suite 4300 CHARLESTON, WV 25301</i>		
		Mailing Address			
2	POLICY PERIOD	Inception Date	<i>December 1, 2017</i>	Expiration Date	<i>July 1, 2019</i>
		12:01 A.M. at the address stated in Item 1			
3	PREMIUM	<i>\$427,432</i>			

Premium for Certified Acts of Terrorism Coverage under Terrorism Risk Insurance Act, as amended (TRIA): \$3,215 included in policy premium. Any coverage provided for losses caused by an act of terrorism as defined by TRIA (TRIA Losses) may be partially reimbursed by the United States under a formula established by TRIA as follows: 83% of TRIA Losses in excess of the insurer deductible mandated by TRIA, the deductible to be based on a percentage of the insurer's direct earned premiums for the year preceding the act of terrorism.

A copy of the TRIA disclosure sent with the original quote is attached hereto.


1660998

4 NAME AND ADDRESS OF INSURER					
<i>AIG Specialty Insurance Company 175 Water Street New York, NY 10038-4969</i>					
This Policy is issued only by the insurance company indicated in this Item 4.					
5 LIMIT OF LIABILITY		\$25,000,000			
6 COVERAGE SUMMARY					
COVERAGE SECTION		SUBLIMIT OF LIABILITY	RETENTION	RETROACTIVE DATE	CONTINUITY DATE
MC	Media Content Insurance	\$6,000,000	\$50,000	Full Prior Acts	Policy Inception
S&P	Security and Privacy Liability Insurance	\$6,000,000	\$50,000	Full Prior Acts	Policy Inception
	Regulatory Action Sublimit of Liability	\$6,000,000			
NI	Network Interruption Insurance	\$6,000,000	\$50,000	Not Applicable	Policy Inception
	Waiting Hours Period	12 hours			
EM	Event Management Insurance	\$6,000,000	\$50,000	Not Applicable	Policy Inception
CE	Cyber Extortion Insurance	\$6,000,000	\$50,000	Not Applicable	Policy Inception
RG	ReputationGuard® Insurance	\$50,000	\$0	Not Applicable	Policy Inception
	Coinsurance	0 %			

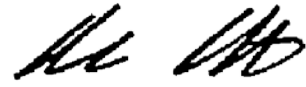
PRODUCER: ARTHUR J GALLAGHER RISK MNGT SERV INC
ADDRESS: 200 S. ORANGE AVENUE
STE 1350
ORLANDO, FL 32801

1660998

IN WITNESS WHEREOF, the **Insurer** has caused this Policy to be signed by its President, Secretary and its duly Authorized Representative.



PRESIDENT



SECRETARY

This Policy shall not be valid unless signed below at the time of issuance by an authorized representative of the **Insurer**.



AUTHORIZED REPRESENTATIVE

COUNTERSIGNATURE

DATE

COUNTERSIGNED AT

1660998

**POLICYHOLDER DISCLOSURE
NOTICE OF TERRORISM INSURANCE COVERAGE
(RIGHT TO PURCHASE COVERAGE)**

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, that you have a right to purchase insurance coverage for losses resulting from acts of terrorism. As defined in Section 102(1) of the Act: The term "act of terrorism" means any act or acts that are certified by the Secretary of the Treasury-in consultation with the Secretary of Homeland Security, and the Attorney General of the United States-to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been 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.

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 85% THROUGH 2015; 84% BEGINNING ON JANUARY 1, 2016; 83% BEGINNING ON JANUARY 1, 2017; 82% BEGINNING JANUARY 1, 2018; 81% BEGINNING JANUARY 1, 2019 and 80% BEGINNING ON JANUARY 1, 2020, OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

COPY OF DISCLOSURE SENT WITH ORIGINAL QUOTE

Insured Name: *State of West Virginia*

Policy Number: *03-842-02-30*

Policy Period Effective Date From: *December 1, 2017* To: *July 1, 2019*



Specialty Risk Protector ©

GENERAL TERMS AND CONDITIONS
("GENERAL TERMS AND CONDITIONS")

In consideration of the payment of the premium, and in reliance upon the statements made to the **Insurer** by **Application**, the **Insurer** agrees as follows:

1. TERMS AND CONDITIONS

These **General Terms and Conditions** shall be applicable to all **Coverage Sections**. Terms appearing in bold in these **General Terms and Conditions** and not defined in Clause 2. **DEFINITIONS** of these **General Terms and Conditions** shall have the meaning provided for such terms in any applicable **Coverage Section** for purposes of coverage provided under such **Coverage Section**. The terms and conditions set forth in a **Coverage Section** shall only apply to that particular **Coverage Section** and shall in no way be construed to apply to any other **Coverage Section** of this policy.

2. DEFINITIONS

(a) "**Application**" means each and every signed application, any attachments to such applications, other materials submitted therewith or incorporated therein and any other statements, information, representations of any **Insured** or documents submitted by any **Insured** in connection with the underwriting of this policy or the underwriting of any other policy providing the same or similar coverage issued by the **Insurer**, or any of its affiliates, of which this policy is in whole or part a renewal or replacement or which it succeeds in time.

With respect to publicly held companies, **Application** shall also include each and every public filing by or on behalf of any **Insured** made with the SEC including, but not limited to, any **Company's** Annual Report(s), 10-Ks, 10-Qs, 8-Ks and proxy statements, any financial information in such filings, and any certifications relating to the accuracy of the foregoing, provided that such public filing was filed during the period of time:

- (i) beginning at the start of the twelve (12) month period immediately preceding the first submission to the **Insurer** in connection with the underwriting of this policy; and
- (ii) ending at the inception of the **Policy Period**.

(b) "**Claims-Made and Reported Coverage Section**" means any **Coverage Section** designated as such.

(c) "**Company**" means the **Named Entity** and any **Subsidiary** thereof.

(d) "**Continuity Date**" means the date set forth in Item 6 of the Declarations with respect to each **Coverage Section**.

(e) "**Control Group**" means a **Company's** Chief Executive Officer, Chief Financial Officer, Chief Security Officer, Chief Technology Officer, Chief Information Officer, Risk Manager and

General Counsel (or equivalent positions, regardless of title).

- (f) "**Coverage Section**" means each **Coverage Section** that is purchased by the **Named Entity** as indicated in Item 6 of the Declarations.
- (g) "**Discovery Coverage Section**" means any **Coverage Section** designated as such.
- (h) "**Discovery Period**" means any **Automatic Discovery Period** or **Optional Discovery Period**, as such terms are defined in Clause 9. of these **General Terms and Conditions**.
- (i) "**Domestic Partner**" means any natural person legally recognized as a domestic or civil union partner under: (i) the provisions of any applicable federal, state or local law; or (ii) the provisions of any formal program established by a **Company**.
- (j) "**First Party Coverage Section**" means any **Coverage Section** designated as such.
- (k) "**First Party Event**" means the event(s) or circumstance(s) contained in the definition of **First Party Event** in a **First Party Coverage Section**.
- (l) "**Insurer**" means the insurance company indicated in the Declarations.
- (m) "**Limit of Liability**" means the amount stated in Item 5 of the Declarations.
- (n) "**Management Control**" means: (i) owning interests representing more than fifty percent (50%) of the voting, appointment or designation power for the selection of a majority of: the board of directors of a corporation, the management committee members of a joint venture or partnership, or the members of the management board of a limited liability company; or (ii) having the right, pursuant to written contract or the by-laws, charter, operating agreement or similar documents of a **Company**, to elect, appoint or designate a majority of: the board of directors of a corporation, the management committee of a joint venture or partnership, or the management board of a limited liability company.
- (o) "**Named Entity**" means the entity listed in Item 1 of the Declarations.
- (p) "**Occurrence Coverage Section**" means any **Coverage Section** designated as such.
- (q) "**Policy Period**" means the period of time from the inception date stated in Item 2 of the Declarations to the earlier of the expiration date stated in Item 2 of the Declarations or the effective date of cancellation of this policy.
- (r) "**Related Acts**" means all **First Party Events** and **Third Party Events** which are the same, related or continuous and all **First Party Events** and **Third Party Events** which arise from a common nucleus of facts. All **Related Acts** shall be considered to have occurred at the time the first such **Related Act** occurred.
- (s) "**Retroactive Date**" means the date set forth in Item 6 of the Declarations as such for each **Coverage Section**.
- (t) "**Sublimit of Liability**" means the applicable amount, if any, stated in Item 6 of the Declarations as such for each **Coverage Section**.

(u) "**Subsidiary**" means:

- (1) any for-profit entity of which the **Named Entity** has or had **Management Control** ("**Controlled Entity**") on or before the inception date of the **Policy Period**, either directly or indirectly through one or more other **Controlled Entities**;
- (2) any for-profit entity of which the **Named Entity** acquires **Management Control** during the **Policy Period**, either directly or indirectly, whose gross revenues for the most recent fiscal year prior to the inception of this policy do not exceed ten percent (10%) of the aggregate gross revenues of the **Companies** for the most recent fiscal year prior to the inception date of this policy;
- (3) any for-profit entity of which the **Named Entity** acquires **Management Control** during the **Policy Period**, either directly or indirectly, whose gross revenues for the most recent fiscal year prior to the inception of this policy exceed ten percent (10%) of the aggregate gross revenues of the **Companies** for the most recent fiscal year prior to the inception date of this policy, but only once (a) the **Named Entity** shall have provided the **Insurer** with full particulars of such entity and agreed to any additional premium and amendments to this policy relating to such entity; and (b) the **Insurer** has ratified its acceptance of such entity as a **Subsidiary** by endorsement to this policy; and
- (4) any not-for-profit entity sponsored exclusively by a **Company**.

Notwithstanding the foregoing, coverage afforded under this policy shall only apply to **Loss** arising out of **First Party Events** and **Third Party Events** occurring or allegedly occurring after the effective time that the **Named Entity** obtained **Management Control** of such **Subsidiary** and prior to the time that such **Named Entity** ceased to have **Management Control** of such **Subsidiary**.

(v) "**Third Party Event**" means the event(s) or circumstance(s) contained in the definition of **Third Party Event** in a **Third Party Coverage Section**.

(w) "**Third Party Coverage Section**" means any **Coverage Section** designated as such.

3. EXTENSIONS

Subject otherwise to the terms hereof, this policy shall cover **Loss** arising from any **Claim** made against (i) the estates, heirs, or legal representatives of deceased natural person **Insureds**, and the legal representatives of natural person **Insureds** in the event of incompetency, insolvency or bankruptcy, who were **Insureds** at the time the **Third Party Events** upon which such **Claims** are based occurred; or (ii) the lawful spouse (whether such status is derived by reason of statutory law, common law or otherwise of any applicable jurisdiction in the world) or **Domestic Partner** of a natural person **Insured** for all **Claims** arising solely out of his or her status as the spouse or **Domestic Partner** of a natural person **Insured**, including a **Claim** that seeks damages recoverable from marital community property, property jointly held by the natural person **Insured** and the spouse or **Domestic Partner**, or property transferred from the natural person **Insured** to the spouse or **Domestic Partner**; provided, however, that this extension shall not afford coverage for any **Claim** for any actual or alleged **Third Party Event** committed by or directly involving the spouse or **Domestic Partner**, but shall apply only to **Claims** arising out of any actual or alleged **Third Party**

Event committed by or directly involving a natural person **Insured**, subject to the policy's terms, conditions and exclusions.

4. LIMIT OF LIABILITY

The **Limit of Liability** is the **Insurer's** maximum liability for all **Loss** under all **Coverage Sections** combined and the **Insurer** shall not be responsible to pay any **Loss** upon exhaustion of the **Limit of Liability**.

If a **Sublimit of Liability** is stated in Item 6 of the Declarations with respect to a **Coverage Section**, then such **Sublimit of Liability** shall be the **Insurer's** maximum liability for all **Loss** with respect to such **Coverage Section** and the **Insurer** shall not be responsible to pay any **Loss** under such **Coverage Section** upon exhaustion of such **Sublimit of Liability**. Each **Sublimit of Liability** shall be part of and not in addition to the **Limit of Liability** and shall in no way serve to increase the **Limit of Liability**.

The **Limit of Liability** and any applicable **Sublimits of Liability** for any **Discovery Period** shall be part of, and not in addition to, the **Limit of Liability** and the corresponding **Sublimits of Liability** for the **Policy Period**.

Solely with respect to any **Claims-Made and Reported Coverage Sections**, a **Claim** which is made subsequent to the **Policy Period** or **Discovery Period** pursuant to Clauses 6(b) and 6(c) respectively, which is considered made during the **Policy Period** or **Discovery Period** shall also be subject to the **Limit of Liability** and any applicable **Sublimit of Liability**.

5. RETENTION

The **Insurer** shall only be liable for the amount of **Loss** arising from each **Claim** or **First Party Event** that exceeds the Retention stated in Item 6 of the Declarations as applicable to the **Coverage Section** affording coverage to such **Claim** or **First Party Event**. Such Retention amounts must be borne by the **Insureds** and remain uninsured.

(a) For **Third Party Coverage Sections**

If a **Claim** triggers more than one **Third Party Coverage Section**, the highest applicable Retention amount shall apply to such **Claim**.

A single Retention amount shall apply to all **Claims** alleging **Related Acts**.

(b) For **First Party Coverage Sections**

If a **First Party Event** triggers more than one **First Party Coverage Section**, all applicable Retention amounts shall apply to such **First Party Event**.

A separate Retention amount shall apply to each respective **First Party Coverage Section** for **First Party Events** involving **Related Acts**.

(c) For **First Party Coverage Sections** and **Third Party Coverage Sections**

If a **First Party Event** or a **Third Party Event** and any **Related Acts** trigger coverage under one or

more **First Party Coverage Sections** and one or more **Third Party Coverage Sections**, all **First Party Coverage Section Retentions** shall apply pursuant to (b) above, in addition to the applicable **Third Party Coverage Section Retention** pursuant to (a) above.

6. NOTICE

(a) The **Insureds** shall, as a condition precedent to the obligations of the **Insurer** under this policy, give written notice to the **Insurer** of any **Claim** made against an **Insured** or a **First Party Event** as soon as practicable after:

- (1) any personnel in the office of any member of the **Control Group** first becomes aware of the **Claim**; or
- (2) any **First Party Event** commences or, solely with respect to a **Discovery Coverage Section**, is discovered.

Notwithstanding the foregoing and regardless of whether any personnel described in (1) above has become aware, in all events each **Claim** under a **Claims-Made and Reported Coverage Section** must be reported no later than either:

- (1) forty-five (45) days after the end of the **Policy Period**; or
- (2) the end of any applicable **Discovery Period**.

(b) If written notice of a **Claim** or a **First Party Event** has been given to the **Insurer** pursuant to Clause (a) above, then:

- (1) any subsequent **Claim** made against an **Insured**; or
- (2) any subsequent **First Party Event**;

arising out of, based upon or attributable to the facts giving rise to such **Claim** or **First Party Event** for which such notice has been given, or alleging any **Related Act** thereto, shall be considered made at the time such notice was given; and

(c) Solely with respect to any **Claims-Made and Reported Coverage Section**, if during the **Policy Period** or during the **Discovery Period** (if applicable), an **Insured** shall become aware of any circumstances which may reasonably be expected to give rise to a **Claim** being made against an **Insured** and shall choose to give written notice to the **Insurer** of such circumstances, the **Third Party Events**, allegations anticipated and the reasons for anticipating such a **Claim**, with full particulars as to dates, persons and entities involved, then any **Claim** which is subsequently made against an **Insured** and reported to the **Insurer** alleging, arising out of, based upon or attributable to such circumstances or alleging any **Related Act** to that alleged or contained in such circumstances, shall be considered made at the time such notice of such circumstances was given.

(d) Notice as described herein shall be given in writing to the **Insurer** at the following address or email address:

**AIG Property Casualty
Financial Lines Claims
P.O. Box 25947
Shawnee Mission, KS 66225
c-claim@aig.com**

Any notice must reference the Policy Number set forth in the Declarations and the **Coverage Section(s)** under which an **Insured** is providing notice.

If mailed or transmitted by electronic mail, the date of such mailing or transmission shall constitute the date that such notice was given and proof of mailing or transmission shall be sufficient proof of notice.

7. INSURED'S OBLIGATIONS

In connection with all **Claims** and **First Party Events** under this policy, each **Insured** agrees to the following:

- (a) such **Insured** shall send the **Insurer** copies of all demands, suit papers, other related legal documents and invoices for **Defense Costs** received by such **Insured**, as soon as practicable;
- (b) such **Insured** shall immediately record the specifics of any **Claim** and **First Party Event** and the date such **Insured** first received such **Claim** or **First Party Event**;
- (c) such **Insured** shall cooperate with and help the **Insurer** and/or any counsel appointed pursuant to the terms of this policy, including, without limitation, as follows:
 - (1) by not admitting liability;
 - (2) in making settlements;
 - (3) in enforcing any legal rights any **Insured** may have against anyone who may be liable to any **Insured**;
 - (4) by attending depositions, hearings and trials;
 - (5) by securing and giving evidence, and obtaining the attendance of witnesses;
 - (6) by furnishing any and all documentation within the possession of such **Insured** that may be required; and
 - (7) by taking such actions that such **Insured** and the **Insurer** agree are necessary and practicable to prevent or limit **Loss** arising from any **First Party Event** or **Third Party Event**.
- (d) unless required to do so by law, **Insureds** shall not, without the **Insurer's** prior written consent:
 - (1) assume any financial obligation or incur any cost unless specifically allowed to settle any **Claim** on behalf of all **Insureds** within the retention pursuant to a **Coverage Section**.
 - (2) take any action, or fail to take any required action which prejudices the **Insurer's** rights under this policy.

8. CANCELLATION

- (a) *By the **Named Entity***: This policy may be canceled by the **Named Entity** at any time only by mailing written prior notice to the **Insurer** or by surrender of this policy to the **Insurer's** authorized agent or to the **Insurer**.

(b) *By the Insurer:* This policy may be canceled by the **Insurer's** delivering to the **Named Entity** by registered, certified, other first class mail or other reasonable delivery method, at the address of the **Named Entity** set forth in Item 1 of the Declarations, written notice stating when, not less than sixty (60) days thereafter (ten (10) days in the event of cancellation for non-payment of premium), the cancellation shall be effective. Proof of mailing or delivery of such notice as aforesaid shall be sufficient proof of notice and this policy shall be deemed canceled as to all **Insureds** at the date and hour specified in such notice.

(c) *Return of Premium:* If this policy shall be canceled by the **Named Entity**, the **Insurer** shall retain the customary short rate proportion of the premium hereon. If this policy shall be canceled by the **Insurer**, the **Insurer** shall retain the pro rata proportion of the premium hereon.

9. DISCOVERY

This Clause applies solely to **Claims-Made and Reported Coverage Sections** of this policy but shall not apply in the event of cancellation for non-payment of premium:

(a) *Automatic Discovery Period:* If the **Named Entity** or the **Insurer** shall cancel or refuse to renew this policy or in the event of a **Transaction** (as that term is defined in Clause 10. below), the **Named Entity** shall have the right following the effective date of such cancellation or nonrenewal to a period of sixty (60) days (the "**Automatic Discovery Period**") in which to give written notice to the **Insurer** of **Claims** first made against an **Insured** during the **Automatic Discovery Period** for any **Third Party Events** occurring prior to the end of the **Policy Period** and otherwise covered by this policy. The **Automatic Discovery Period** shall not apply where an **Optional Discovery Period** has been purchased or to **Claims** that are covered under any subsequent insurance an **Insured** purchases or that is purchased for an **Insured's** benefit, or that would be covered by any subsequent insurance but for the exhaustion of the amount of insurance applicable to such **Claims** or any applicable Retention amount.

(b) *Optional Discovery Period:* Except as indicated below, if the **Named Entity** or the **Insurer** shall cancel or refuse to renew this policy or in the event of a **Transaction** (as that term is defined in Clause 10. below), the **Named Entity** shall have the right to a period of up to three years following the effective date of such cancellation or nonrenewal (an "**Optional Discovery Period**"), upon payment of an additional premium amount of up to:

- (i) one hundred percent (100%) of the full annual premium, for a period of one (1) year,
- (ii) one hundred and seventy-five percent (175%) of the full annual premium, for a period of two (2) years, or
- (iii) two hundred percent (200%) of the full annual premium, for a period of three (3) years,

in which to give written notice to the **Insurer** of **Claims** first made against an **Insured** during the **Optional Discovery Period** for any **Third Party Events** occurring prior to the end of the **Policy Period** and otherwise covered by this policy.

If the **Named Entity** exercises its right to purchase an **Optional Discovery Period**, that period incepts at the end of the **Policy Period** and there shall be no **Automatic Discovery Period**.

As used herein, "full annual premium" means the premium amount set forth in the Declarations as such, plus an additional premium charged for any endorsements to this policy.

The right to purchase an **Optional Discovery Period** shall terminate unless written notice of election, together with any additional premium due, is received by the **Insurer** no later than thirty (30) days after the effective date of the cancellation, nonrenewal or **transaction**.

Any **Discovery Period** cannot be canceled and any additional premium charged for an **Optional Discovery Period** shall be fully earned at inception.

This Clause 9. **DISCOVERY** shall not apply to any cancellation resulting from non-payment of premium.

10. TRANSACTIONS

(a) If during the **Policy Period**:

- (1) the **Named Entity** shall consolidate with or merge into, or sell all or substantially all of its assets to any other person or entity or group of persons or entities acting in concert; or
- (2) any person or entity or group of persons or entities acting in concert shall acquire **Management Control** of the **Named Entity**;

(either of the above events herein referred to as the "**Transaction**"), then this policy shall continue in full force and effect only as to those **First Party Events** and **Third Party Events** occurring prior to the effective time of the **Transaction**.

This policy may not be canceled after the effective time of the **Transaction**.

(b) Notwithstanding the foregoing, this policy may continue in full force and effect as to those **First Party Events** and **Third Party Events** occurring subsequent to the effective time of the **Transaction** if:

- (1) within thirty (30) days of such **Transaction** the **Insurer** has been provided with full particulars of the **Transaction**, the related or acquiring person(s) or entity(ies) and any other information requested by the **Insurer**; and
- (2) the **Insurer** waives the restrictions set forth in Paragraph 10(a) above with respect to such **Transaction** by written endorsement to this policy and the **Named Entity** or its successor has paid any additional premium and accepted any amendments to this policy required by the **Insurer**.

11. SUBROGATION

An **Insured** may be able to recover all or part of **Loss** from someone other than the **Insurer**. Such **Insured** must do all that is possible after a **First Party Event** or **Third Party Event** to preserve any, and all, rights of recovery. As a condition of any payment by the **Insurer** under this policy, an **Insured's** rights to recovery will be transferred to the **Insurer**. Each **Insured** will do whatever is necessary, including signing documents, to help the **Insurer** obtain that recovery.

A **Company** may waive an **Insured's** rights to recovery against others if such **Company** does so in writing and before the **First Party Event** or **Third Party Event** occurred.

12. OTHER INSURANCE

Such insurance as is provided by this policy shall apply only as excess over any other valid and collectible insurance, unless such other insurance is expressly written to be excess over the **Limit of Liability** or any applicable **Sublimit of Liability** provided by this policy.

13. NOTICE AND AUTHORITY

Except for the giving of a notice of **Claim**, which shall be governed by the provisions of Section 6 of these **General Terms and Conditions**, all notices required under this policy to be given by an **Insured** to the **Insurer** shall be given in writing to the **Insurer** at the address stated in Item 4(a) of the Declarations. It is agreed that the **Named Entity** shall act on behalf of all **Insureds** with respect to the giving of notice of a **Claim**, the giving and receiving of notice of cancellation and nonrenewal, the payment of premiums and the receiving of any return premiums that may become due under this policy, the receipt and acceptance of any endorsements issued to form a part of this policy, the exercising or declining of the right to tender the defense of a **Claim** to the **Insurer** and the exercising or declining to exercise any right to a **Discovery Period**.

14. ASSIGNMENT

This policy and any and all rights hereunder are not assignable without the prior written consent of the **Insurer**, which consent shall be in the sole and absolute discretion of the **Insurer**.

15. DISPUTE RESOLUTION PROCESS

It is hereby understood and agreed that all disputes or differences which may arise under or in connection with this policy, whether arising before or after termination of this policy, including any determination of the amount of **Loss**, must first be submitted to the non-binding mediation process as set forth in this Clause.

The non-binding mediation will be administered by any mediation facility to which the **Insurer** and the **Named Entity** mutually agree, in which all implicated **Insureds** and the **Insurer** shall try in good faith to settle the dispute by mediation in accordance with the American Arbitration Association's ("**AAA**") then-prevailing Commercial Mediation Rules. The parties shall mutually agree on the selection of a mediator. The mediator shall have knowledge of the legal, corporate management, or insurance issues relevant to the matters in dispute. The mediator shall also give due consideration to the general principles of the law of the state where the **Named Entity** is incorporated in the construction or interpretation of the provisions of this policy. In the event that such non-binding mediation does not result in a settlement of the subject dispute or difference:

- (a) either party shall have the right to commence a judicial proceeding; or
- (b) either party shall have the right, with all other parties consent, to commence an arbitration proceeding with the **AAA** that will be submitted to an arbitration panel of three (3) arbitrators as follows: (i) the implicated **Insureds** shall select one (1) arbitrator; (ii) the **Insurer** shall select one (1) arbitrator; and (iii) said arbitrators shall mutually agree upon the selection of the third arbitrator. The arbitration shall be conducted in accordance with the **AAA's** then-prevailing Commercial Arbitration Rules.

Notwithstanding the foregoing, no such judicial or arbitration proceeding shall be commenced until at least 90 days after the date the non-binding mediation shall be deemed concluded or terminated. Each party shall share equally the expenses of the non-binding mediation.

The non-binding mediation may be commenced in New York, New York; Atlanta, Georgia; Chicago, Illinois; Denver, Colorado; or in the state indicated in Item 1 of the Declarations as the mailing address for the **Named Entity**. The **Named Entity** shall act on behalf of each and every **Insured** in connection with any non-binding mediation under this Clause, the selection of arbitration or judicial proceeding and/or the selection of mediators or arbitrators.

16. ACTION AGAINST INSURER

Except as provided in Clause 15 above, no action shall lie against the **Insurer** unless, as a condition precedent thereto, there shall have been full compliance with all of the terms of this policy, nor until the amount of an **Insured's** obligation to pay shall have been finally determined either by judgment against such **Insured** after actual trial or by written agreement of such **Insured**, the claimant and the **Insurer**.

Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this policy to the extent of the insurance afforded by this policy. No person or organization shall have any right under this policy to join the **Insurer** as a party to any action against an **Insured** or a **Company** to determine an **Insured's** liability, nor shall the **Insurer** be impleaded by an **Insured** or a **Company** or their legal representatives.

17. BANKRUPTCY

Bankruptcy or insolvency of any **Company** or any **Insured** or of their estates shall not relieve the **Insurer** of any of its obligations hereunder.

18. WORLDWIDE TERRITORY

Where legally permissible, this policy shall apply to **First Party Events** and **Third Party Events** occurring, **Claims** made or **Losses** suffered anywhere in the world.

19. HEADINGS

The descriptions in the headings of this policy are solely for convenience, and form no part of the terms and conditions of coverage.

20. SERVICE OF SUIT

Subject to Clause 15, it is agreed that in the event of the **Insurer's** failure to pay any amount claimed to be due under this policy, the **Insurer**, at the request of any **Insured**, will submit to the jurisdiction of a court of competent jurisdiction within the United States of America. Nothing in this Clause constitutes, or should be understood to constitute, a waiver of the **Insurer's** rights to commence an action in any court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another court as permitted by the laws of the United States of America or of any state in the United States of America. It is further agreed that service of process may be made upon General Counsel, Legal Department, AIG Specialty Insurance Company, 175 Water Street, New York, NY 10038 or his or her representative, and that in any suit instituted against the **Insurer** upon this contract, the **Insurer** will abide by the final decision of such court or of any appellate court in the event of any appeal.

Further, pursuant to any statute of any state, territory, or district of the United States of America which makes provision therefore, the **Insurer** hereby designates the Superintendent, Commissioner, or Director of Insurance, or other officer specified for that purpose in the statute, or his or her successor or successors in office as the **Insurer's** true and lawful attorney upon whom may be served any lawful process in any action, suit, or proceeding instituted by or on behalf of any **Insured** or any beneficiary hereunder arising out of this contract of insurance, and hereby designates the above-named General Counsel as the person to whom the said officer is authorized to mail such process or a true copy thereof.

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Specialty Risk Protector[®]

**ReputationGuard[®] Insurance
("ReputationGuard Coverage Section")**

This is a Discovery Coverage Section and a First Party Coverage Section

Notice: Pursuant to Clause 1 of the **General Terms and Conditions**, the **General Terms and Conditions** are incorporated by reference into, made a part of and are expressly applicable to this **ReputationGuard Coverage Section**, unless otherwise explicitly stated to the contrary in the **General Terms and Conditions** or in this **ReputationGuard Coverage Section**.

1. INSURING AGREEMENT

With respect to the **REPUTATION THREAT INSURING AGREEMENT** and the **REPUTATION ATTACK INSURING AGREEMENT** of this Clause 1., solely with respect to a **Reputation Threat** or **Reputation Attack** first discovered during the **Policy Period** for which the **Named Entity** has first retained a **Panel PR Firm** during the **Policy Period**, this **ReputationGuard Coverage Section** affords the following coverage:

REPUTATION THREAT INSURING AGREEMENT

The **Insurer** shall pay the **Proactive Costs** in excess of the applicable Retention that an **Insured** incurs in seeking to avoid or minimize the potential impact of a specific **Reputation Threat**.

REPUTATION ATTACK INSURING AGREEMENT

The **Insurer** shall pay the **Response Costs** in excess of the applicable Retention that an **Insured** incurs in seeking to minimize the potential impact of a specific **Reputation Attack**.

2. DEFINITIONS

"**Bold**" terms in this policy have the meaning and/or values ascribed to them in this Clause and/or in Item 6 of the Declarations.

(a) "**Consultation Costs**" mean the:

- (1) fees for crisis communications services provided by a **Panel PR Firm** to an **Insured** to the extent that such services are provided specifically in response to a **Reputation Threat** or **Reputation Attack**; and
- (2) expenses of such **Panel PR Firm** in rendering such crisis communications services.

(b) "**Covered Brand**" means the brand of the **Named Entity** and any other brands owned exclusively by an **Insured**.

(c) "**Crisis Preparedness Program**" means one or more crisis preparedness activities (including, but not limited to, a vulnerabilities assessment, development of a multi-scenario crisis

communications plan or crisis response team infrastructure, internal roll-out and employee training on that plan, and simulation exercises) purchased by the **Insureds** and performed by a **Panel PR Firm** as part of the normal course of business management prior to the identification or occurrence of a covered **Reputation Threat** or a **Reputation Attack**.

- (d) "**First Party Event**" means any **Reputation Threat** or **Reputation Attack**.
- (e) "**Insured**" means the **Named Entity** or any of its **Subsidiaries**.
- (f) "**Loss**" means any: (1) **Proactive Costs**; and (2) **Response Costs**. **Loss, Proactive Costs** and **Response Costs** shall not mean: (i) payments made, directly or indirectly, to any person or entity to avoid **Publication** of a **Reputation Threat** by such person or entity; (ii) attorney's fees, accountant's fees or expenses incurred by or in connection with the retention of any attorney or accountant; (iii) employee compensation, benefits or overhead; (iv) cost of any services provided by an **Insured** or any of its affiliates; (v) costs or expenses incurred to withdraw or recall any good, product or service from the marketplace other than **Consultation Costs** and **Targeted Communications Costs**; (vi) forensic investigation costs; (vii) amounts paid to third parties alleged to be harmed in connection with a **Reputation Threat** or **Reputation Attack**, including but not limited to amounts deposited in a consumer redress fund or similar accounts; (viii) cost of a **Crisis Preparedness Program**; (ix) amounts incurred in connection with seeking or opposing the consummation of any transaction that requires a security holder, debt holder or other stakeholder or management vote or approval; or (x) other expenses or charges that an **Insured** had committed to prior to, or planned to incur in the absence of, a **Reputation Threat** or **Reputation Attack**.
- (g) "**Panel Affiliate**" means any entity that a **Panel PR Firm** directly or indirectly controls, is controlled by or is in common control with, and that is specifically retained by the **Named Entity** in connection with a **Reputation Threat** or a **Reputation Attack** at the specific written recommendation of such **Panel PR Firm**.
- (h) "**Panel PR Firm**" means any public relations, crisis management or brand management firm specifically retained by the **Named Entity** in connection with a **Reputation Threat** or a **Reputation Attack** but only if such firm is listed at <http://www.aig.com/us/panelcounseldirectory> under the "*ReputationGuard*[®]" link as an approved *ReputationGuard*[®] **Panel PR Firm** at the time the firm is retained.

If no firm listed under the *ReputationGuard*[®] link is willing and able to provide crisis communication services to an **Insured** in connection with a specific **Reputation Threat** or **Reputation Attack**, the **Named Entity** may retain a **Panel Affiliate**, and such **Panel Affiliate** shall be treated as a **Panel PR Firm** solely for that specific **Reputation Threat** or a **Reputation Attack** against that specific **Insured**.

If no firm listed under the *ReputationGuard*[®] link and no **Panel Affiliate** is willing and able to provide crisis communication services to an **Insured** in connection with a specific **Reputation Threat** or **Reputation Attack**, then a public relations, crisis management or brand management firm retained by the **Named Entity** with the **Insurer's** prior written consent shall be treated as a **Panel PR Firm** solely for that specific **Reputation Threat** or a **Reputation Attack** against that specific **Insured**.

- (i) "**Proactive Costs**" means **Consultation Costs** incurred by an **Insured** in connection with a **Reputation Threat** prior to the earlier of: (1) a **Reputation Attack** that arises out of the subject of the **Reputation Threat**, or (2) the ninetieth (90th) day after the date a **Panel PR Firm** was first hired in response to the **Reputation Threat**.
- (j) "**Publication**" means the dissemination via any medium (including but not limited to dissemination via print, video, audio, electronic, or digital or digitized form) of previously non-public information or opinion specifically concerning an **Insured** or a **Covered Brand**; provided, however, that "**Publication**" does not mean the reporting or disclosure of any financial information, financial projections or estimates, any communication seeking or opposing the consummation of any transaction that requires a security holder, debt holder or other stakeholder or management vote or approval, or any internal communication directed only to an **Insured's** executives and/or employees.
- (k) "**Related Event**" means any **Reputation Threat** or **Reputation Attack** that: (1) is an extension, expansion or **Publication** of another **Reputation Threat** or **Reputation Attack**; or (2) arises out of, is based upon or is attributable to the same or related facts that are or were the subject of another **Reputation Threat** or **Reputation Attack**.
- (l) "**Reputation Attack**" means any **Publication** by a **Third Party** that the **Named Entity** believes: (1) will be seen by any **Insured's** stakeholders (including, but not limited to, actual or potential customers, investors, creditors, vendors, employees, suppliers or regulators) as a material breach of trust, and (2) is likely to have an adverse impact on the public perception of an **Insured** or a **Covered Brand**.
- (m) "**Reputation Threat**" means any act or event that the **Named Entity** believes would, if disclosed in a **Publication**: (1) be seen by any **Insured's** stakeholders (including, but not limited to, actual or potential customers, investors, creditors, vendors, employees, suppliers or regulators) as a material breach of trust, and (2) have an adverse impact on the public perception of an **Insured** or a **Covered Brand**. A "**Reputation Threat**" ceases upon the earlier of any **Publication** or any **Reputation Threat** becoming the subject of a **Reputation Attack**.
- (n) "**Response Costs**" means, to the extent incurred by an **Insured** specifically in response to a **Reputation Attack**:

- (1) **Consultation Costs**; and
(2) **Targeted Communications Costs**;

provided, however, **Response Costs** shall not include the cost of providing any notice or making any disclosure required by law or contract.

- (o) "**Targeted Communications Costs**" means any public relations, communications and marketing expenses (including, but not limited to, the cost of crisis communications-related advertising, printing, mailing, brand monitoring and the operation of a telephone or internet hotline or answer line) incurred within the **Communication Cost Period** commencing at the time of the first **Publication** of a **Reputation Attack**, but only to the extent that such public relations, communications and marketing expenses are incurred at the recommendation of a **Panel PR Firm** as a targeted response, specifically designed to address a **Reputation Attack**.

(p) "**Third Party**" means any person or entity other than an **Insured**, the directors or officers of any **Insured**, or any of their respective affiliates, agents, successors or assigns.

3. EXCLUSIONS

The **Insurer** shall not be liable to make any payment for **Loss** in connection with any **Reputation Attack** or **Reputation Threat** arising out of, based upon or attributable to any:

- (a) change in population, economic conditions, customer tastes or competitive or business environment;
- (b) bankruptcy or insolvency of any **Insured**; provided, however, the **Insurer** shall pay **Loss** in connection with a public announcement arising out of the actual or anticipated filing of a bankruptcy petition by or on behalf of an **Insured**, subject to a sublimit of \$50,000 for all such **Loss**; provided further that such amount is part of, and not in addition to, the **Limit of Liability** and the **Sublimit of Liability** applicable to this **Coverage Section**.
- (c) criticism of an **Insured's** financial performance, or any change in the financial rating of an **Insured** or of any security issued by an **Insured**;
- (d) direct and foreseeable consequence of an **Insured's** decision to change or discontinue the use of any business strategy, manufacturing process, vendor, supplier or distributor;
- (e) acquisition or merger strategy, any actual or threatened acquisition of or by an **Insured**, or any merger of an **Insured** by or with any other entity; or
- (f) strike or similar labor action, war, invasion, act of foreign enemy, hostilities or warlike operations (whether declared or not), civil war, mutiny, civil commotion assuming the proportions of or amounting to a popular rising, military rising, insurrection, rebellion, revolution, military or usurped power, or any action taken to hinder or defend against these actions.

4. COINSURANCE

The Coinsurance percentage applicable to this **Coverage Section** shall be borne by the **Insureds** and remain uninsured. Payments of any Coinsurance percentage by an **Insured** shall not reduce the **Limit of Liability** or the **Sublimit of Liability** for this **Coverage Section**.

5. REPUTATION THREAT OR REPUTATION ATTACK TERMS AND CONDITIONS

Before coverage will apply for **Loss** under this **ReputationGuard Coverage Section**:

- (a) The **Named Entity** shall provide written notice to the **Insurer** of a **Reputation Threat** or **Reputation Attack** as soon as practicable after the **Named Entity** first retains a **Panel PR Firm** in connection with such **Reputation Threat** or **Reputation Attack**. Such notice must be provided no later than fourteen (14) days after the **Named Entity's** retention of such **Panel PR Firm**; provided, however, if the **Named Entity** has purchased a **Crisis Preparedness Program** from such **Panel PR Firm**, notice may be given no later than thirty (30) days after the **Named Entity's** retention of such **Panel PR Firm**.
- (b) If a **Reputation Threat** or **Reputation Attack** in response to which the **Named Entity** has first retained a **Panel PR Firm** during the **Policy Period** is reported in accordance with paragraphs (a) of this Clause, then the **Named Entity** shall be deemed to have first retained a **Panel PR Firm** during the **Policy Period** for any subsequent **Related Events**.

- (c) Each **Insured** shall give the **Insurer** full cooperation and such information as it may reasonably require.
- (d) Payment of covered **Loss** shall be made by the **Insurer** no later than ninety (90) days after the presentation and written acceptance by the **Insurer** of satisfactory proof of loss. The cost and expense of establishing or proving an **Insured's Loss** under this **ReputationGuard Coverage Section**, including but not limited to the cost and expense of preparing a proof of loss, shall be such **Insured's** obligation, and are not covered under this policy.

Right to Void Coverage: The **Insurer** shall have the right to void coverage under this **ReputationGuard Coverage Section**, *ab initio*, whether by rescission or otherwise, in the event that:

- (1) the application, statements, warranties or representations materially affected either the acceptance of the risk or the hazard assumed by the **Insurer** under this **Coverage Section** and any **Insured** knew that the application or such statements, warranties and representations were not accurate and complete; or
- (2) any **Insured** had knowledge of any fact or information as of the **Continuity Date** that would lead a reasonable person to believe that a **Reputation Threat** or **Reputation Attack** might occur during the **Policy Period**.



Specialty Risk Protector ©

CyberEdgeSM Cyber Extortion Insurance
("CYBER EXTORTION COVERAGE SECTION")

THIS IS AN OCCURRENCE COVERAGE SECTION AND A FIRST PARTY COVERAGE SECTION

Notice: Pursuant to Clause 1 of the **General Terms and Conditions**, the **General Terms and Conditions** are incorporated by reference into, made a part of and are expressly applicable to this **Cyber Extortion Coverage Section**, unless otherwise explicitly stated to the contrary in either the **General Terms and Conditions** or in this **Cyber Extortion Coverage Section**.

1. INSURING AGREEMENTS

With respect to the **CYBER EXTORTION INSURING AGREEMENT** of this Clause 1., solely with respect to a **Security Threat** or **Privacy Threat** first occurring during the **Policy Period** and reported to the **Insurer** pursuant to the terms of this policy, this **Cyber Extortion Coverage Section** affords the following coverage:

CYBER EXTORTION INSURING AGREEMENT

The **Insurer** shall pay all **Loss** in excess of the applicable Retention that an **Insured** incurs solely as a result of a **Security Threat** or **Privacy Threat**.

2. DEFINITIONS

- (a) "**Bodily Injury**" means physical injury, sickness or disease and, if arising out of the foregoing, mental anguish, mental injury, shock, humiliation or death at any time.
- (b) "**Computer System**" means any computer hardware, software or any components thereof that are under the ownership, operation or control of, or that are leased by, a **Company** and are linked together through a network of two or more devices accessible through the Internet, internal network or connected with data storage or other peripheral devices.
- (c) "**Confidential Information**" means any of the following in a **Company's** care, custody or control or for which a **Company** is legally responsible:
 - (1) information from which an individual may be uniquely and reliably identified or contacted, including, without limitation, an individual's name, address, telephone number, social security number, account relationships, account numbers, account balances, account histories and passwords;
 - (2) information concerning an individual that would be considered "nonpublic personal information" within the meaning of Title V of the Gramm-Leach Bliley Act of 1999 (Public Law 106-102, 113 Stat. 1338) (as amended) and its implementing regulations, or protected personal information under any similar federal, state, local or foreign law;
 - (3) information concerning an individual that would be considered "protected health information" or "electronic protected health information" within the Health Insurance Portability and Accountability Act of 1996 (as amended) (HIPAA) or the Health Information

Technology for Economic and Clinical Health Act (HITECH Act), and their implementing regulations, or protected health-related information under any similar federal, state, local or foreign law;

(4) information used for authenticating customers for normal business transactions; or

(5) any third party's trade secrets, data, designs, interpretations, forecasts, formulas, methods, practices, processes, records, reports or other item of information that is not available to the general public.

(d) "**First Party Event**" means any **Security Threat** or **Privacy Threat**.

(e) "**Insured**" means a **Company**.

(f) "**Loss**" means:

(1) monies paid by an **Insured** with the **Insurer's** prior written consent to terminate or end a **Security Threat** or **Privacy Threat** that would otherwise result in harm to an **Insured**; and

(2) the costs to conduct an investigation to determine the cause of a **Security Threat** or **Privacy Threat**.

(g) "**Pollutants**" means, but is not limited to, any solid, liquid, gaseous, biological, radiological or thermal irritant or contaminant, including smoke, vapor, dust, fibers, mold, spores, fungi, germs, soot, fumes, acids, alkalis, chemicals and waste. "Waste" includes, but is not limited to, materials to be recycled, reconditioned or reclaimed and nuclear materials.

(h) "**Privacy Threat**" means any threat or connected series of threats to unlawfully use or publicly disclose **Confidential Information** misappropriated from an **Insured** for the purpose of demanding money, securities or other tangible or intangible property of value from an **Insured**.

(i) "**Property Damage**" means damage to, loss of use of or destruction of any tangible property. For purposes of this definition, "tangible property" shall not include electronic data.

(j) "**Security Threat**" means any threat or connected series of threats to commit an intentional attack against a **Computer System** for the purpose of demanding money, securities or other tangible or intangible property of value from an **Insured**.

3. EXCLUSIONS

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

(a) arising out of, based upon or attributable to any dishonest, fraudulent, criminal or malicious act, error or omission, or any intentional or knowing violation of the law, if committed by any:

(1) past or present director, officer, trustee, general or managing partner or principal (or the equivalent positions) of a **Company**, whether acting alone or in collusion with other persons; or

(2) past or present employee (other than those referenced in Sub-paragraph (1) above) or independent contractor employed by a **Company** if any of those referenced in Sub-paragraph (1) above participated in, approved of, or knew or had reason to know prior to the act of, or acquiesced to the dishonest, fraudulent, malicious, or criminal act committed by such employee or independent contractor that caused a direct loss to an

Insured or any other person.

- (b) arising out of, based upon or attributable to any misappropriation of an **Insured's** trade secret or infringement of patent, copyright, trademark, trade dress or any other intellectual property right.
- (c) arising out of, based upon or attributable to any (1) presence of **Pollutants**; (2) the actual or threatened discharge, dispersal, release or escape of **Pollutants**; or (3) direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants, or in any way respond to or assess the effects of **Pollutants**.
- (d) for any **Bodily Injury** or **Property Damage**.
- (e) arising out of, based upon or attributable to any war, invasion, military action (whether war is declared or not), civil war, mutiny, popular or military uprising, insurrection, rebellion, revolution, military or usurped power, or any action taken to hinder or defend against any of these events.
- (f) arising out of, based upon or attributable to any **Security Threat** or **Privacy Threat** made by any government entity or public authority.
- (g) arising out of, based upon or attributable to any **Security Threat** or **Privacy Threat** or **Related Act** thereto which has been reported, or in any circumstances of which notice has been given, under any policy of which this **Cyber Extortion Coverage Section** is a renewal or replacement or which it may succeed in time.

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CyberEdgeSM Security Failure/Privacy Event Management Insurance

("EVENT MANAGEMENT COVERAGE SECTION")

THIS IS A DISCOVERY COVERAGE SECTION AND A FIRST PARTY COVERAGE SECTION

Notice: Pursuant to Clause 1 of the **General Terms and Conditions**, the **General Terms and Conditions** are incorporated by reference into, made a part of and are expressly applicable to this **Event Management Coverage Section**, unless otherwise explicitly stated to the contrary in the **General Terms and Conditions** or in this **Event Management Coverage Section**.

1. INSURING AGREEMENTS

With respect to the **EVENT MANAGEMENT INSURING AGREEMENT** of this Clause 1., solely with respect to a **Security Failure** or **Privacy Event** first discovered during the **Policy Period** and reported to the **Insurer** pursuant to the terms of this policy, this **Event Management Coverage Section** affords the following coverage:

EVENT MANAGEMENT INSURING AGREEMENT

The **Insurer** shall pay all **Loss**, in excess of the applicable Retention, that an **Insured** incurs solely as a result of an alleged **Security Failure** or **Privacy Event** that has actually occurred or is reasonably believed by such **Insured** and the **Insurer** to have occurred.

2. DEFINITIONS

- (a) "**Bodily Injury**" means physical injury, sickness or disease and, if arising out of the foregoing, mental anguish, mental injury, shock, humiliation or death at any time.
- (b) "**Computer System**" means any computer hardware, software or any components thereof that are linked together through a network of two or more devices accessible through the Internet, internal network or connected with data storage or other peripheral devices (including, without limitation, wireless and mobile devices), and are under ownership, operation or control of, or leased by, a **Company**.

For this **Coverage Section**, "**Computer System**" also means "cloud computing" and other hosted resources operated by a third party service provider for the purpose of providing hosted computer resources to a **Company** as provided in a written contract between such third party and a **Company**.

- (c) "**Confidential Information**" means any of the following in a **Company's** or **Information Holder's** care, custody or control or for which a **Company** or **Information Holder** is legally responsible:
 - (1) information from which an individual may be uniquely and reliably identified or contacted,

including, without limitation, an individual's name, address, telephone number, social security number, account relationships, account numbers, account balances, account histories and passwords;

- (2) information concerning an individual that would be considered "nonpublic personal information" within the meaning of Title V of the Gramm-Leach Bliley Act of 1999 (Public Law 106-102, 113 Stat. 1338) (as amended) and its implementing regulations, or protected personal information under any similar federal, state, local or foreign law;
 - (3) information concerning an individual that would be considered "protected health information" or "electronic protected health information" within the Health Insurance Portability and Accountability Act of 1996 (as amended) (HIPAA) or the Health Information Technology for Economic and Clinical Health Act (HITECH Act), and their implementing regulations, or protected health-related information under any similar federal, state, local or foreign law;
 - (4) information used for authenticating customers for normal business transactions; or
 - (5) any third party's trade secrets, data, designs, interpretations, forecasts, formulas, methods, practices, processes, records, reports or other item of information that is not available to the general public.
- (d) "**Electronic Data**" means any software or electronic data stored electronically on a **Computer System**, including without limitation **Confidential Information**.
- (e) "**First Party Event**" means any **Privacy Event** or **Security Failure**.
- (f) "**Information Holder**" means a third party that:
- (1) an **Insured** has provided **Confidential Information** to; or
 - (2) has received **Confidential Information** on behalf of a **Company**.
- (g) "**Insured**" means a **Company**.
- (h) "**Loss**" means the following reasonable and necessary expenses and costs incurred by an **Insured** within one year of the discovery of the **Security Failure** or **Privacy Event**:
- (1) to conduct an investigation (including a forensic investigation) to determine the cause of the **Security Failure** or **Privacy Event**;
 - (2) for a public relations firm, crisis management firm or law firm agreed to by the **Insurer** to advise an **Insured** on minimizing the harm to such **Insured**, including, without limitation, maintaining and restoring public confidence in such **Insured**;
 - (3) to notify those whose **Confidential Information** is the subject of the **Security Failure** or **Privacy Event** and advise of any available remedy in connection with the **Security Failure** or **Privacy Event**, including, without limitation, those expenses and costs for printing, advertising and mailing of materials;
 - (4) for identity theft education and assistance, identity theft call center services, credit file or identity monitoring and victim reimbursement insurance made available to those persons notified about a **Security Failure** or **Privacy Event** pursuant to subparagraph (3) above;
 - (5) for any other services approved by the **Insurer** at the **Insurer's** sole and absolute discretion;
 - (6) to restore, recreate or recollect **Electronic Data**; or
 - (7) to determine whether **Electronic Data** can or cannot be restored, recollected or recreated.

Provided, however, **Loss** shall not include compensation, fees, benefits, overhead or internal charges of any **Insured**.

- (i) "**Pollutants**" means, but is not limited to, any solid, liquid, gaseous, biological, radiological or thermal irritant or contaminant, including smoke, vapor, dust, fibers, mold, spores, fungi, germs, soot, fumes, acids, alkalis, chemicals and waste. "Waste" includes, but is not limited to, materials to be recycled, reconditioned or reclaimed and nuclear materials.
- (j) "**Privacy Event**" means any failure to protect **Confidential Information** (whether by "phishing," other social engineering technique or otherwise), including, without limitation, that which could result in an identity theft or other wrongful emulation of the identity of an individual or corporation.
- (k) "**Property Damage**" means damage to, loss of use of or destruction of any tangible property. For purposes of this definition, "tangible property" shall not include electronic data.
- (l) "**Security Failure**" means a failure or violation of the security of a **Computer System**, including, without limitation, that which results in or fails to mitigate any unauthorized access, unauthorized use, denial of service attack or receipt or transmission of a malicious code. "**Security Failure**" includes any such failure or violation resulting from the theft of a password or access code from an **Insured's** premises, the **Computer System**, or an officers, director or employee of a **Company** by non-electronic means.

3. EXCLUSIONS

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

- (a) arising out of, based upon or attributable to any dishonest, fraudulent, criminal or malicious act, error or omission, or any intentional or knowing violation of the law, if committed by any:
 - (1) past or present director, officer, trustee, general or managing partner or principal (or the equivalent positions) of a **Company**, whether acting alone or in collusion with other persons;
or
 - (2) past or present employee (other than those referenced in Sub-paragraph (1) above) or independent contractor employed by a **Company** if any person referenced in Sub-paragraph (1) above participated in, approved of, acquiesced to, or knew or had reason to know prior to the act of, the dishonest, fraudulent, malicious, or criminal act committed by such employee or independent contractor that caused a direct loss to an **Insured** or any other person.
- (b) arising out of, based upon or attributable to any misappropriation of an **Insured's** trade secret, any misappropriation of a trade secret by an **Insured** or any employee of an **Insured** or any infringement of patent, copyright, trademark or trade dress.
- (c) arising out of, based upon or attributable to any (1) presence of **Pollutants**; (2) the actual or threatened discharge, dispersal, release or escape of **Pollutants**; or (3) direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants, or in any way respond to or assess the effects of **Pollutants**.

- (d) for any **Bodily Injury** or **Property Damage**.
- (e) arising out of, based upon or attributable to any:
 - (1) fire, smoke, explosion, lightning, wind, water, flood, earthquake, volcanic eruption, tidal wave, landslide, hail, act of God or any other physical event, however caused;
 - (2) war, invasion, military action (whether war is declared or not), civil war, mutiny, popular or military uprising, insurrection, rebellion, revolution, military or usurped power, or any action taken to hinder or defend against any of these events; or
 - (3) satellite failure.
- (f) arising out of, based upon or attributable to any seizure, confiscation, nationalization, or destruction of a **Computer System** or **Electronic Data** by order of any governmental or public authority.
- (g) arising out of, based upon or attributable to any **Security Failure** or **Privacy Event**, or any **Related Acts** thereto, which has been reported, or in any circumstances of which notice has been given, under any policy of which this **Event Management Coverage Section** is a renewal or replacement or which it may succeed in time.
- (h) for any profit or advantage to which any **Insured** is not legally entitled.
- (i) arising out of, based upon or attributable to any amounts for: (i) the original creation of; (ii) diminution of value of; (iii) lost profits of; (iv) or loss of use of, a trade secret, patent, copyright, trademark, trade dress or any other intellectual property.

4. NOTICE

In addition to the applicable items of Clause 6. **NOTICE** of the **General Terms and Conditions**, and before coverage will apply for **Loss** under this **Event Management Coverage Section**, each **Insured** must also:

- (a) complete and sign a written, detailed and affirmed proof of loss within ninety (90) days after the discovery of any **Loss** (unless such period has been extended by the **Insurer** in writing) which shall include, among any other pertinent information:
 - (1) a full description of such **Loss** and the circumstances surrounding such **Loss**, which shall include, among any other necessary information, the time, place and cause of the **Loss**;
 - (2) a detailed calculation of any **Loss**; and
 - (3) all underlying documents and materials that reasonably relate to or form any part of the proof of such **Loss**.
- (b) upon the **Insurer's** request, submit to an examination under oath.
- (c) immediately record the specifics of any **Loss**, **Security Failure** or **Privacy Event** and the date such **Insured** first became aware of such **Loss**, **Security Failure** or **Privacy Event**.
- (d) provide the **Insurer** with any cooperation and assistance that the **Insurer** may request, including

assisting the **Insurer** in:

- (1) any investigation of a **Security Failure, Privacy Event, Loss** or circumstance;
- (2) enforcing any legal rights an **Insured** or the **Insurer** may have against anyone who may be liable to an **Insured**; and
- (3) executing any documents that the **Insurer** deems necessary to secure its rights under this policy.

All adjusted claims shall be due and payable thirty (30) days after the presentation and written acceptance by the **Insurer** of satisfactory proof of **Loss** to the address set forth in the **General Terms and Conditions**. The costs and expenses of establishing or proving an **Insured's Loss** under this **Event Management Coverage Section**, including, without limitation, those connected with preparing a proof of loss, shall be such **Insured's** obligation, and are not covered under this policy.

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Specialty Risk Protector ©

CyberEdgeSM Security and Privacy Liability Insurance
("SECURITY AND PRIVACY COVERAGE SECTION")

THIS IS A CLAIMS MADE AND REPORTED COVERAGE SECTION AND A THIRD PARTY COVERAGE SECTION

Notice: Pursuant to Clause 1 of the **General Terms and Conditions**, the **General Terms and Conditions** are incorporated by reference into, made a part of and are expressly applicable to this **Security and Privacy Coverage Section**, unless otherwise explicitly stated to the contrary in the **General Terms and Conditions** or in this **Security and Privacy Coverage Section**.

1. INSURING AGREEMENTS

With respect to the **SECURITY AND PRIVACY INSURING AGREEMENT**, the **DEFENSE** provisions and the **SETTLEMENT** provisions of this Clause 1., solely with respect to **Claims** first made against an **Insured** during the **Policy Period** or the **Discovery Period** (if applicable) and reported to the **Insurer** pursuant to the terms of this policy, this **Security and Privacy Coverage Section** affords the following coverage:

SECURITY AND PRIVACY INSURING AGREEMENT

The **Insurer** shall pay on an **Insured's** behalf all **Loss** in excess of the applicable Retention that such **Insured** is legally obligated to pay resulting from a **Claim** alleging a **Security Failure** or a **Privacy Event**.

DEFENSE

- (a) The **Insurer** has the right and duty to defend a **Suit** or **Regulatory Action** alleging a **Security Failure** or a **Privacy Event**, even if the **Suit** or **Regulatory Action** is groundless, false or fraudulent.
- (b) The **Insurer** has the right to investigate any **Claim**.
- (c) The **Insurer's** duty to defend ends if an **Insured** refuses to consent to a settlement that the **Insurer** recommends pursuant to the **SETTLEMENT** provision below and that the claimant will accept. As a consequence of such **Insured's** refusal, the **Insurer's** liability shall not exceed the amount for which the **Insurer** could have settled such **Claim** had such **Insured** consented, plus **Defense Costs** incurred prior to the date of such refusal, plus 50% of **Defense Costs** incurred with the **Insurer's** prior written consent after the date of such refusal. This Clause shall not apply to any settlement where the total incurred **Loss** does not exceed the applicable Retention amount.

SETTLEMENT

- (a) The **Insurer** has the right, with the written consent of an **Insured**, to settle any **Claim** if the **Insurer** believes that it is proper.

- (b) An **Insured** may settle any **Claim** on behalf of all **Insureds** to which this insurance applies and which are subject to one Retention amount where the total incurred **Loss** does not exceed the Retention amount.

2. DEFINITIONS

- (a) "**Bodily Injury**" means physical injury, sickness or disease, and, if arising out of the foregoing, mental anguish, mental injury, shock, humiliation or death at any time.
- (b) "**Claim**" means:
- (1) a written demand for money, services, non-monetary relief or injunctive relief;
 - (2) a written request for mediation or arbitration, or to toll or waive an applicable statute of limitations;
 - (3) a **Suit**; or
 - (4) a **Regulatory Action**.
- (c) "**Computer System**" means any computer hardware, software or any components thereof that are linked together through a network of two or more devices accessible through the Internet, internal network or connected with data storage or other peripheral devices (including, without limitation, wireless and mobile devices), and are under ownership, operation or control of, or leased by, a **Company**.

For this **Coverage Section**, "**Computer System**" also means "cloud computing" and other hosted resources operated by a third party service provider for the purpose of providing hosted computer resources to a **Company** as provided in a written contract between such third party and a **Company**.

- (d) "**Confidential Information**" means any of the following in a **Company's** or **Information Holder's** care, custody or control or for which a **Company** or **Information Holder** is legally responsible:
- (1) information from which an individual may be uniquely and reliably identified or contacted, including, without limitation, an individual's name, address, telephone number, social security number, account relationships, account numbers, account balances, account histories and passwords;
 - (2) information concerning an individual that would be considered "nonpublic personal information" within the meaning of Title V of the Gramm-Leach Bliley Act of 1999 (Public Law 106-102, 113 Stat. 1338) (as amended) and its implementing regulations, or protected personal information under any similar federal, state, local or foreign law;
 - (3) information concerning an individual that would be considered "protected health information" or "electronic protected health information" within the Health Insurance Portability and Accountability Act of 1996 (as amended) (HIPAA) or the Health Information Technology for Economic and Clinical Health Act (HITECH Act), and their implementing regulations, or protected health-related information under any similar federal, state, local or foreign law;
 - (4) information used for authenticating customers for normal business transactions; or
 - (5) any third party's trade secrets, data, designs, interpretations, forecasts, formulas, methods, practices, processes, records, reports or other item of information that is not available to the general public.

- (e) "**Defense Costs**" means all reasonable and necessary fees charged by an attorney appointed by the **Insurer** (unless otherwise provided for by this policy) in connection with any **Suit** or **Regulatory Action** brought against an **Insured**, as well as all other reasonable and necessary fees, costs and expenses (including premiums for any appeal bond, attachment bond or similar bond arising out of a covered judgment, but without any obligation to apply for or furnish any such bond) incurred in the defense or investigation of a **Claim** by the **Insurer** or by an **Insured** with the **Insurer's** written consent. **Defense Costs** shall not include: (i) compensation of any natural person **Insured**; or (ii) any fees, costs or expenses incurred prior to the time that a **Claim** is first made against an **Insured**.
- (f) "**Information Holder**" means a third party that:
- (1) a **Company** has provided **Confidential Information** to; or
 - (2) has received **Confidential Information** on behalf of a **Company**.
- (g) "**Insured**" means:
- (1) a **Company**;
 - (2) any past, present or future officer, director, trustee or employee of a **Company** acting in their capacity as such (and in the event a **Company** is a partnership, limited liability partnership or limited liability company, then any general or managing partner or principal thereof acting in their capacity as such); and
 - (3) any entity which a **Company** is required by contract to add as an **Insured** under this **Security and Privacy Coverage Section**, but only for the acts of such **Company** that result in a **Security Failure** or a **Privacy Event**.
- (h) "**Loss**" means compensatory damages, judgments, settlements, pre-judgment and post-judgment interest and **Defense Costs**, including without limitation:
- (1) punitive, exemplary and multiple damages where insurable by the applicable law which most favors coverage for such punitive, exemplary and multiple damages;
 - (2) civil fines or penalties imposed by a governmental agency and arising from a **Regulatory Action**, unless the civil fine or penalty imposed is uninsurable under the law of the jurisdiction imposing such fine or penalty;
 - (3) any monetary amounts an **Insured** is required by law or has agreed to by settlement to deposit into a consumer redress fund; and
 - (4) amounts payable in connection with a **PCI-DSS Assessment**.
- (i) "**PCI Data Security Standards**" means generally accepted and published Payment Card Industry standards for data security (commonly referred to as "PCI-DSS").
- (j) "**PCI-DSS Assessment**" means any written demand received by an **Insured** from a Payment Card Association (e.g., MasterCard, Visa, American Express) or bank processing payment card transactions (i.e., an "Acquiring Bank") for a monetary assessment (including a contractual fine or penalty) in connection with an **Insured's** non-compliance with **PCI Data Security Standards** which resulted in a **Security Failure** or **Privacy Event**.
- (k) "**Pollutants**" means, but is not limited to, any solid, liquid, gaseous, biological, radiological or thermal irritant or contaminant, including smoke, vapor, dust, fibers, mold, spores, fungi, germs, soot, fumes, acids, alkalis, chemicals and waste. "Waste" includes, but is not limited to, materials to be recycled, reconditioned or reclaimed and nuclear materials.

- (l) "**Privacy Event**" means the following occurring on or after the **Retroactive Date** and prior to the end of the **Policy Period**:
- (1) any failure to protect **Confidential Information** (whether by "phishing," other social engineering technique or otherwise) including, without limitation, that which could result in an identity theft or other wrongful emulation of the identity of an individual or corporation;
 - (2) any failure to disclose an event referenced in Sub-paragraph (1) above in violation of any **Security Breach Notice Law**;
 - (3) any unintentional failure of an **Insured** to comply with those parts of a **Company's** privacy policy that (a) prohibit or restrict the disclosure or sale of **Confidential Information** by an **Insured**, or (b) require an **Insured** to allow an individual to access or correct **Confidential Information** about such individual; or
 - (4) any violation of a federal, state, foreign or local privacy statute alleged in connection with a **Claim** for a failure described in Sub-paragraphs (1) or (2) above.
- (m) "**Property Damage**" means damage to, loss of use of or destruction of any tangible property. For purposes of this definition, "tangible property" shall not include electronic data.
- (n) "**Regulatory Action**" means a request for information, civil investigative demand or civil proceeding brought by or on behalf of a governmental agency, including requests for information related thereto.
- (o) "**Security Breach Notice Law**" means any federal, state, local or foreign statute or regulation that requires an entity collecting or storing **Confidential Information**, or any entity that has provided **Confidential Information** to an **Information Holder**, to provide notice of any actual or potential unauthorized access by others to such **Confidential Information**, including but not limited to, the statute known as California SB 1386 (§1798.82, *et. seq.* of the California Civil Code).
- (p) "**Security Failure**" means the following occurring on or after the **Retroactive Date** and prior to the end of the **Policy Period**:
- (1) a failure or violation of the security of a **Computer System** including, without limitation, that which results in or fails to mitigate any unauthorized access, unauthorized use, denial of service attack or receipt or transmission of a malicious code;
 - (2) failure to disclose an event referenced in Sub-paragraphs (1) above in violation of any **Security Breach Notice Law**.
- "**Security Failure**" includes any such failure or violation, resulting from the theft of a password or access code from an **Insured's** premises, the **Computer System**, or an officer, director or employee of a **Company** by non-electronic means.
- (q) "**Suit**" means a civil proceeding for monetary, non-monetary or injunctive relief, which is

commenced by service of a complaint or similar pleading. **Suit** includes a binding arbitration proceeding to which an **Insured** must submit or does submit with the **Insurer's** consent.

(r) "**Third Party Event**" means a **Security Failure** or **Privacy Event**.

3. EXCLUSIONS

This policy shall not cover **Loss** in connection with a **Claim** made against an **Insured**:

(a) alleging, arising out of, based upon or attributable to any dishonest, fraudulent, criminal or malicious act, error or omission, or any intentional or knowing violation of the law, if committed by any:

- (1) past or present director, officer, trustee, general or managing partner or principal (or the equivalent positions) of a **Company**, whether acting alone or in collusion with other persons; or
- (2) past or present employee or independent contractor employed by a **Company** or an **Information Holder** if any person referenced in Sub-paragraph (1) above knew or had reason to know prior to the act of, participated in, approved of or acquiesced to the dishonest, fraudulent, malicious, or criminal act committed by such employee or independent contractor that caused a direct loss to an **Insured** or any other person;

provided, however, the **Insurer** will defend **Suits** that allege any of the foregoing conduct by such person, and that are not otherwise excluded, until there is a final, non-appealable judgment or adjudication as to such conduct in any action or proceeding other than an action or proceeding initiated by the **Insurer** to determine coverage under this policy, at which time the **Insureds** shall reimburse the **Insurer** for **Defense Costs**.

(b) alleging, arising out of, based upon or attributable to any infringement of patent, or any misappropriation of a trade secret by any **Insured**.

(c) alleging, arising out of, based upon or attributable to any (1) presence of **Pollutants**, (2) the actual or threatened discharge, dispersal, release or escape of **Pollutants**, or (3) direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants, or in any way respond to or assess the effects of **Pollutants**.

(d) alleging, arising out of, based upon or attributable to any **Bodily Injury** or **Property Damage**.

(e) alleging, arising out of, based upon or attributable to any:

- (1) fire, smoke, explosion, lightning, wind, water, flood, earthquake, volcanic eruption, tidal wave, landslide, hail, act of God or any other physical event, however caused;
- (2) strikes or similar labor action, war, invasion, military action (whether war is declared or not), civil war, mutiny, popular or military uprising, insurrection, rebellion, revolution, military or usurped power, or any action taken to hinder or defend against any of these events;
- (3) electrical or mechanical failures of infrastructure not under the control of an **Insured**, including any electrical power interruption, surge, brownout or blackout; provided, however, this Sub-paragraph (3) shall not apply to a **Security Failure** or a **Privacy Event** that is caused by such electrical or mechanical failure;

(4) failure of telephone lines, data transmission lines or other telecommunications or networking infrastructure not under the control of an **Insured**; provided, however, this Sub-paragraph (4) shall not apply to a **Security Failure** or a **Privacy Event** that is caused by such failure of telephone lines, data transmission lines or other telecommunication or networking infrastructure; or

(5) satellite failure.

(f) alleging, arising out of, based upon or attributable to any:

(1) purchase, sale, or offer or solicitation of an offer to purchase or sell securities;

(2) violation of any securities law, including the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, or any regulation promulgated under the foregoing statutes, or any federal, state or local laws similar to the foregoing statutes (including "Blue Sky" laws), whether such law is statutory, regulatory or common law; provided, however, this exclusion does not apply to a **Claim** alleging a **Privacy Event** in violation of Regulation S-P (17 C.F.R. § 248); provided further, however, this exclusion does not apply to a **Claim** alleging a failure to disclose a **Security Failure** or **Privacy Event** in violation of any **Security Breach Notice Law**; or

(3) violation of the Organized Crime Control Act of 1970 (commonly known as Racketeer Influenced And Corrupt Organizations Act, or "RICO"), as amended, or any regulation promulgated thereunder or any federal, state or local law similar to the foregoing, whether such law is statutory, regulatory or common law;

(g) alleging, arising out of, based upon or attributable to an **Insured's** employment of any individual or any of an **Insured's** employment practices (including, without limitation, wrongful dismissal, discharge or termination, discrimination, harassment, retaliation or other employment-related claim); provided, however, this exclusion shall not apply to any **Claim** by an individual to the extent such individual is alleging (1) a **Privacy Event** in connection with such individual's employment or application for employment with a **Company**, or (2) a failure to disclose a **Security Failure** or **Privacy Event** in violation of any **Security Breach Notice Law**

(h) alleging, arising out of, based upon or attributable to antitrust, unfair competition, restraint of trade, including, without limitation, violations of any local, state or federal law regulating such conduct, or that is brought by or on behalf of the Federal Trade Commission ("FTC") or any other federal, state or local government agency, or foreign government agency; provided, however, solely with respect to unfair competition, this Paragraph (h) shall not apply to any **Loss** arising out of a covered **Regulatory Action**.

(i) brought by or on behalf of:

(1) any **Insured**;

(2) any business entity that is controlled, managed or operated, directly or indirectly, in whole or in part, by an **Insured**; or

(3) any parent company, **Subsidiary**, successor or assignee of an **Insured**, or any person or entity affiliated with an **Insured** or such business entity through common **Management Control**;

provided, however, this exclusion shall not apply to (i) an **Insured** as described in Sub-paragraph (3) of the definition of **Insured**; or (ii) an **Insured** as described in Sub-paragraph

(2) of the definition of **Insured** but only to the extent such **Insured** is alleging a **Privacy Event** or a failure to disclose a **Security Failure** or **Privacy Event** in violation of any **Security Breach Notice Law**.

(j) for any of the following:

- (1) the return of an **Insured's** fees or compensation;
- (2) any profit or advantage to which an **Insured** is not legally entitled;
- (3) an **Insured's** expenses or charges, including employee compensation and benefits, overhead, over-charges or cost over-runs;
- (4) an **Insured's** cost of providing, correcting, re-performing or completing any services;
- (5) civil or criminal fines or penalties imposed by law against an **Insured** and any matters deemed uninsurable under the law pursuant to which this policy shall be construed; provided, however, this Sub-paragraph (5) shall not apply to (a) any monetary amounts an **Insured** is required by law or has agreed to by settlement to deposit into a consumer redress fund, or (b) any civil fine or penalty imposed by a governmental agency arising from a **Regulatory Action**, unless the civil fine or penalty imposed is uninsurable under the law of the jurisdiction imposing such fine or penalty;
- (6) an **Insured's** costs and expenses of complying with any injunctive or other form of equitable relief;
- (7) taxes incurred by an **Insured**;
- (8) the amounts for which an **Insureds** is not financially liable or which are without legal recourse to any **Insured**;
- (9) amounts an **Insured** agrees to pay pursuant to a contract, including without limitation, liquidated damages, setoffs or penalties; provided, however, this exclusion shall not apply to any **PCI-DSS Assessment**.

(k) alleging, arising out of, based upon or attributable to any obligation an **Insured** has under contract; provided, however, this exclusion shall not apply to:

- (1) the obligation to prevent a **Security Failure** or a **Privacy Event**, including without limitation, whether same is in violation of an implied or statutory standard of care;
- (2) liability an **Insured** would have in the absence of such contract or agreement;
- (3) the obligation to comply with **PCI Data Security Standards**; or
- (4) with respect to a **Privacy Event**, any liability or obligation under the confidentiality or non-disclosure provisions of any agreement;

(l) alleging, arising out of, based upon or attributable to any **Security Failure** or **Privacy Event**, or any **Related Acts** thereto, alleged or contained in any **Claim** which has been reported, or in any circumstances of which notice has been given, under any policy of which this **Security and Privacy Coverage Section** is a renewal or replacement or which it may succeed in time.

(m) alleging, arising out of, based upon or attributable to any **Security Failure** or **Privacy Event** occurring prior to the **Retroactive Date** or any **Related Acts** thereto, regardless of when such **Related Act** occurs.

- (n) alleging, arising out of, based upon or attributable to any **Security Failure** or **Privacy Event** occurring prior to the **Continuity Date**, or any **Related Act** thereto (regardless of when such **Related Act** occurs), if, as of the **Continuity Date**, an **Insured** knew or could have reasonably foreseen that such **Security Failure** or a **Privacy Event** did or would result in a **Claim** against an **Insured**.
- (o) alleging, arising out of, based upon or attributable to any seizure, confiscation, nationalization, or destruction of a **Computer System** by order of any governmental or public authority.
- (p) for (1) the theft of money or securities from an **Insured**; or (2) the transfer or loss of money or securities from or to an **Insured's** accounts or accounts under an **Insured's** control, including customer accounts. For purposes of this Sub-paragraph (p), the term "accounts" shall include, but are not limited to, deposit, credit, debit, prepaid and securities brokerage accounts.

4. LIMIT OF LIABILITY

The following provisions shall apply in addition to the provisions of Clause 4. **LIMIT OF LIABILITY** of the **General Terms and Conditions**:

Notwithstanding anything in the policy to the contrary, the maximum liability of the **Insurer** for all **Loss** arising from a **Regulatory Action** shall be the **Regulatory Action Sublimit of Liability** set forth in Item 6 of the Declarations. This amount shall be part of and not in addition to the **Limit of Liability** and any applicable **Sublimit of Liability**.

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Specialty Risk Protector ©

CyberEdgeSM Network Interruption Insurance
("NETWORK INTERRUPTION COVERAGE SECTION")

THIS IS AN OCCURRENCE COVERAGE SECTION AND A FIRST PARTY COVERAGE SECTION

Notice: Pursuant to Clause 1 of the **General Terms and Conditions**, the **General Terms and Conditions** are incorporated by reference into, made a part of and are expressly applicable to this **Network Interruption Coverage Section**, unless otherwise explicitly stated to the contrary in the **General Terms and Conditions** or in this **Network Interruption Coverage Section**.

1. INSURING AGREEMENTS

With respect to the **NETWORK INTERRUPTION INSURING AGREEMENT** of this Clause 1., solely with respect to a **Security Failure** first occurring during the **Policy Period** and reported to the **Insurer** pursuant to the terms of this policy, this **Network Interruption Coverage Section** affords the following coverage:

NETWORK INTERRUPTION INSURING AGREEMENT

The **Insurer** shall pay all **Loss** in excess of the **Remaining Retention** that an **Insured** incurs after the **Waiting Hours Period** and solely as a result of a **Security Failure**.

2. DEFINITIONS

- (a) "**Bodily Injury**" means physical injury, sickness or disease and, if arising out of the foregoing, mental anguish, mental injury, shock, humiliation or death at any time.
- (b) "**Computer System**" means any computer hardware, software or any components thereof that are linked together through a network of two or more devices accessible through the Internet, internal network or connected with data storage or other peripheral devices (including, without limitation, wireless and mobile devices), and are under the ownership, operation or control of, or leased by, a **Company**.

For this **Coverage Section**, "**Computer System**" also means computer hardware, software or any components thereof that are under the ownership, operation or control of an **Outsource Provider**.

- (c) "**First Party Event**" means any **Security Failure**.
- (d) "**Insured**" means a **Company**.
- (e) "**Loss**" means the below listed costs incurred from the beginning of a **Material Interruption** through the 120th day after the end of the **Material Interruption** (or 120 days after the **Material Interruption** would have ended if an **Insured** exercised due diligence and dispatch):

- (1) costs that would not have been incurred but for a **Material Interruption**; and
- (2) the sum of all of following, which shall be calculated on an hourly basis:
 - (a) Net Income (Net Profit or Loss before income taxes) that would have been earned; and
 - (b) Continuing normal operating expenses incurred, including payroll.
- (f) "**Material Interruption**" means the actual and measurable interruption or suspension of an **Insured's** business directly caused by a **Security Failure**.
- (g) "**Outsource Provider**" means an entity not owned, operated or controlled by an **Insured** that such **Insured** depends on to conduct its business.
- (h) "**Pollutants**" means, but is not limited to, any solid, liquid, gaseous, biological, radiological or thermal irritant or contaminant, including smoke, vapor, dust, fibers, mold, spores, fungi, germs, soot, fumes, acids, alkalis, chemicals and waste. "Waste" includes, but is not limited to, materials to be recycled, reconditioned or reclaimed and nuclear materials.
- (i) "**Property Damage**" means damage to, loss of use of or destruction of any tangible property. For purposes of this definition, "tangible property" shall not include electronic data.
- (j) "**Remaining Retention**" means the Retention set forth in Item 6 of the Declarations for this **Network Interruption Coverage Section** less the amount of **Loss** incurred by any **Insured** during the **Waiting Hours Period**. If the **Loss** incurred by any **Insured** during the **Waiting Hours Period** is greater than the applicable Retention set forth in the Declarations, the **Remaining Retention** equals zero.
- (k) "**Security Failure**" means a failure or violation of the security of a **Computer System**, including, without limitation, that which results in or fails to mitigate any unauthorized access, unauthorized use, denial of service attack or receipt or transmission of a malicious code. "**Security Failure**" includes any such failure or violation resulting from the theft of a password or access code from a **Company's** premises, a **Company's Computer System**, or an officer, director or employee of a **Company** by non-electronic means.
- (l) "**Waiting Hours Period**" means the number of hours set forth in Item 6 of the Declarations that must elapse once a **Material Interruption** has begun.

3. EXCLUSIONS

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

- (a) arising out of, based upon or attributable to any dishonest, fraudulent, criminal or malicious act, error or omission, or any intentional or knowing violation of the law, if committed by any:
 - (1) past or present director, officer, trustee, general or managing partner or principal (or the equivalent positions) of a **Company**, whether acting alone or in collusion with other persons; or
 - (2) past or present employee (other than those referenced in Sub-paragraph (1) above) or independent contractor employed by a **Company** if any of those referenced in Sub-paragraph (1) above participated in, approved of, acquiesced to, or knew or had reason

to know prior to the act of, the dishonest, fraudulent, malicious, or criminal act committed by such employee or independent contractor that caused a direct loss to an **Insured** or any other person.

- (b) arising out of, based upon or attributable to any misappropriation or theft of trade secret or infringement of patent, copyright, trademark, trade dress or any other intellectual property right.
- (c) arising out of, based upon or attributable to any (1) presence of **Pollutants**; (2) the actual or threatened discharge, dispersal, release or escape of **Pollutants**; or (3) direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants, or in any way respond to or assess the effects of **Pollutants**.
- (d) arising out of, based upon or attributable to any **Bodily Injury** or **Property Damage**.
- (e) arising out of, based upon or attributable to any:
 - (1) fire, smoke, explosion, lightning, wind, water, flood, earthquake, volcanic eruption, tidal wave, landslide, hail, act of God or any other physical event, however caused;
 - (2) war, invasion, military action (whether war is declared or not), civil war, mutiny, popular or military uprising, insurrection, rebellion, revolution, military or usurped power, or any action taken to hinder or defend against any of these events; or
 - (3) satellite failure.
- (f) arising out of, based upon or attributable to any seizure, confiscation, nationalization, or destruction of a **Computer System** by order of any governmental or public authority.
- (g) arising out of, based upon or attributable to any **Security Failure** or **Related Act** thereto which has been reported, or in any circumstances of which notice has been given, under any policy of which this **Network Interruption Coverage Section** is a renewal or replacement or which it may succeed in time.
- (h) for any profit or advantage to which any **Insured** is not legally entitled.
- (i) arising out of, based upon or attributable to: (1) any liability to third-parties for whatever reason; (2) legal costs or legal expenses of any type; (3) updating, upgrading, enhancing, or replacing any **Computer System** to a level beyond that which existed prior to sustaining **Loss**; (4) unfavorable business conditions; or (5) the removal of software program errors or vulnerabilities.

4. LIMIT OF LIABILITY

The following provisions shall apply in addition to the provisions of Clause 4. **LIMIT OF LIABILITY** of the **General Terms and Conditions**:

Notwithstanding anything in the policy to the contrary, the maximum liability of the **Insurer** for all **Loss** arising from a **Security Failure** of the **Computer System** of an **Outsource Provider** shall be \$100,000. This amount shall be part of and not in addition to the **Limit of Liability** or any applicable **Sublimit of Liability**.

5. RETENTION

The following provisions shall apply in addition to the provisions of Clause 5. **RETENTION** of the **General Terms and Conditions**:

Solely with respect to this **Network Interruption Coverage Section**, the applicable Retention shall be the **Remaining Retention**.

6. NOTICE

In addition to the applicable items of Clause 6. **NOTICE** of the **General Terms and Conditions**, and before coverage will apply for **Loss** under this **Network Interruption Coverage Section**, each **Insured** must also:

- (a) complete and sign a written, detailed and affirmed proof of loss within ninety (90) days after the discovery of any **Loss** (unless such period has been extended by the **Insurer** in writing) which shall include, among any other pertinent information:
 - (1) a full description of such **Loss** and the circumstances surrounding such **Loss**, which shall include, among any other necessary information, the time, place and cause of the **Loss**;
 - (2) a detailed calculation of any **Loss**; and
 - (3) all underlying documents and materials that reasonably relate to or form a part of the basis of the proof of such **Loss**.
- (b) upon the **Insurer's** request, submit to an examination under oath.
- (c) immediately record the specifics of any **Loss** or **Security Failure** and the date such **Insured** first became aware of such **Loss** or **Security Failure**.
- (d) provide the **Insurer** with any cooperation and assistance that the **Insurer** may request, including assisting the **Insurer** in:
 - (1) any investigation of a **Security Failure, Loss** or circumstance;
 - (2) enforcing any legal rights an **Insured** or the **Insurer** may have against anyone who may be liable to an **Insured**;
 - (3) executing any documents that the **Insurer** deem necessary to secure its rights under this policy; and
 - (4) any calculation or appraisal conducted by or on behalf of the **Insurer** pursuant to this **Network Interruption Coverage Section**.

All adjusted claims shall be due and payable thirty (30) days after the presentation and written acceptance by the **Insurer** of satisfactory proof of **Loss** to the address set forth in the **General Terms and Conditions**. The costs and expenses of establishing or proving an **Insured's Loss** under this **Network Interruption Coverage Section**, including, without limitation, those connected with preparing a proof of loss, shall be such **Insured's** obligation, and are not covered under this policy.

7. NET PROFIT CALCULATIONS

In determining the amount of net profit (or net loss) and charges and expenses covered hereunder

for the purpose of ascertaining the amount of **Loss** (and otherwise) under this **Network Interruption Coverage Section**, due consideration shall be given to the prior experience of an **Insured's** business before the beginning of the **Security Failure** and to the probable business an **Insured** could have performed had no **Security Failure** occurred. Provided, however, that such net profit (or net loss) calculations shall not include, and this policy shall not cover, net income that would likely have been earned as a result of an increase in volume of business due to favorable business conditions caused by the impact of **Security Failures** on other businesses. All such net profit (or net loss) and charges and expenses shall be calculated on an hourly basis and based on such an **Insured's** actual net profit (or net loss) and charges and expenses.

8. APPRAISAL

If any **Insured** and the **Insurer** disagree on the amount of **Loss**, either may make a written demand for an appraisal of such **Loss**. If such demand is made, each party will select a competent and impartial appraiser. The appraisers will then jointly select an umpire. If the appraisers cannot agree on an umpire, they may request that selection be made by a judge of a court having jurisdiction. Each appraiser will separately state the amount of **Loss**. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two of these three will be binding.

Such **Insured** and the **Insurer** will:

- (1) pay their respective chosen appraiser; and
- (2) bear the expenses of the umpire equally.

Any appraisal of **Loss** shall be calculated in accordance with all terms, conditions and exclusions of this policy.

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Specialty Risk Protector ©

**Media Content Insurance
("MEDIA CONTENT COVERAGE SECTION")**

THIS IS A CLAIMS MADE AND REPORTED COVERAGE SECTION AND A THIRD PARTY COVERAGE SECTION

Notice: Pursuant to Clause 1 of the **General Terms and Conditions**, the **General Terms and Conditions** are incorporated by reference into, made a part of and are expressly applicable to this **Media Content Coverage Section**, unless otherwise explicitly stated to the contrary in the **General Terms and Conditions** or in this **Media Content Coverage Section**.

1. INSURING AGREEMENTS

With respect to the **MEDIA CONTENT INSURING AGREEMENT**, the **DEFENSE** provisions and the **SETTLEMENT** provisions of this Clause 1., solely with respect to **Claims** first made against an **Insured** during the **Policy Period** or **Discovery Period** (if applicable) and reported to the **Insurer** pursuant to the terms of this policy, this **Media Content Coverage Section** affords the following coverage:

MEDIA CONTENT INSURING AGREEMENT

The **Insurer** shall pay on an **Insured's** behalf all **Loss** in excess of the applicable Retention that such **Insured** is legally obligated to pay resulting from a **Claim** alleging a **Wrongful Act**.

DEFENSE

- (a) The **Insurer** has the right and duty to defend a **Suit** for a **Wrongful Act**, even if the **Suit** is groundless, false or fraudulent.
- (b) The **Insurer** has the right to investigate any **Claim**.
- (c) The **Insurer's** duty to defend ends if an **Insured** refuses to consent to a settlement that the **Insurer** recommends pursuant to the **SETTLEMENT** provision below and that the claimant will accept. As a consequence of such **Insured's** refusal, the **Insurer's** liability shall not exceed the amount for which the **Insurer** could have settled such **Claim** had such **Insured** consented, plus **Defense Costs** incurred prior to the date of such refusal, plus 50% of **Defense Costs** incurred with the **Insurer's** prior written consent after the date of such refusal. This Clause shall not apply to any settlement where the total incurred **Loss** does not exceed the applicable Retention amount.

SETTLEMENT

- (a) The **Insurer** has the right, with the written consent of an **Insured**, to settle any **Claim** if the **Insurer** believes that it is proper.
- (b) An **Insured** may settle any **Claim** on behalf of all **Insureds** to which this insurance applies and

which are subject to one Retention amount where the total incurred **Loss** does not exceed the Retention amount.

2. DEFINITIONS

- (a) "**Bodily Injury**" means physical injury, sickness or disease, and, if arising out of the foregoing, mental anguish, mental injury, shock, humiliation or death at any time.
- (b) "**Claim**" means:
- (1) a written demand for money, services, non-monetary relief or injunctive relief;
 - (2) a written request for mediation or arbitration, or to toll or waive an applicable statute of limitations; or
 - (3) a **Suit**.
- (c) "**Defense Costs**" means all reasonable and necessary fees charged by an attorney appointed by the **Insurer** (unless otherwise provided for by this policy) in connection with any **Suit** brought against an **Insured** alleging a **Wrongful Act**, as well as all other reasonable and necessary fees, costs and expenses (including premiums for any appeal bond, attachment bond or similar bond arising out of a covered judgment, but without any obligation to apply for or furnish any such bond) incurred in the defense or investigation of a **Claim** by the **Insurer** or by an **Insured** with the **Insurer's** written consent. **Defense Costs** shall not include: (i) compensation of any natural person **Insured**; or (ii) any fees, costs or expenses incurred prior to the time that a **Claim** is first made against an **Insured**.
- (d) "**Insured**" means:
- (1) a **Company**;
 - (2) any past, present or future officer, director, trustee or employee of a **Company** (and in the event that a **Company** is a partnership, limited liability partnership or limited liability company, then any general or managing partner or principal thereof), but only while acting within the scope of his or her duties in connection with the provision of **Material** for such **Company**;
 - (3) any independent contractors, agents, third-party distributors, licensees and sub-licensees, but only:
 - (i) with respect to **Material** that they provide to a **Company**; and
 - (ii) when such **Company** has, prior to the commission of a **Wrongful Act**, expressly agreed in writing to indemnify and defend such party against liability arising out of such **Wrongful Act**;
 - (4) any person or entity that a **Company** has expressly agreed in writing, prior to the commission of a **Wrongful Act**, to add as an **Insured** under this policy, but only for the **Wrongful Acts** of a **Company**; and
 - (5) any other person or entity listed as **Insured** by endorsement to this policy, but only for the **Wrongful Acts** of a **Company**.
- (e) "**Loss**" means compensatory damages, judgments, settlements, pre-judgment and post-judgment interest and **Defense Costs**, including punitive, exemplary and multiple damages where insurable by the applicable law which most favors coverage for such punitive, exemplary and multiple damages.

- (f) "**Material**" means media content in any form, including, without limitation, advertising and written, printed, video, electronic, digital or digitized content, of:
- (1) broadcasts, including without limitation, broadcasts via television, motion picture, cable, satellite television, radio, wireless devices or the Internet; or
 - (2) publications, including without limitation, publications via newspaper, newsletter, magazine, book and other literary, monograph, brochure, directory, screen play, film script, playwright and video publications.
- (g) "**Pollutants**" means, but is not limited to, any solid, liquid, gaseous, biological, radiological or thermal irritant or contaminant, including smoke, vapor, dust, fibers, mold, spores, fungi, germs, soot, fumes, acids, alkalis, chemicals and waste. "Waste" includes, but is not limited to, materials to be recycled, reconditioned or reclaimed and nuclear materials.
- (h) "**Property Damage**" means damage to, loss of use of or destruction of any tangible property. For purposes of this definition, "tangible property" shall not include electronic data.
- (i) "**Suit**" means a civil proceeding for monetary, non-monetary or injunctive relief, which is commenced by service of a complaint or similar pleading. **Suit** includes a binding arbitration proceeding to which an **Insured** must submit or does submit with the **Insurer's** consent.
- (j) "**Third Party Event**" means any **Wrongful Act**.
- (k) "**Wrongful Act**" means any act, error, omission, negligent supervision of an employee, misstatement or misleading statement by an **Insured** in connection with **Material** occurring on or after the **Retroactive Date** and prior to the end of the **Policy Period** (including without limitation, any of the foregoing conduct in the gathering, collection, broadcast, creation, distribution, exhibition, performance, preparation, printing, production, publication, release, display, research, or serialization of **Material** by an **Insured**) that results solely in:
- (1) infringement of copyright, title, slogan, trademark, trade name, trade dress, mark, service mark, service name, infringement of domain name, deep-linking or framing, including, without limitation, unfair competition in connection with such conduct;
 - (2) plagiarism, piracy or misappropriation or theft of ideas under implied contract or other misappropriation or theft of ideas or information; including, without limitation, unfair competition in connection with such conduct;
 - (3) invasion, infringement or interference with rights of privacy or publicity, false light, public disclosure of private facts, intrusion and commercial appropriation of name, persona or likeness; including, without limitation, emotional distress or mental anguish in connection with such conduct;
 - (4) defamation, libel, slander, product disparagement or trade libel or other tort related to disparagement or harm to character or reputation; including, without limitation, unfair competition, emotional distress or mental anguish in connection with such conduct;
 - (5) wrongful entry or eviction, trespass, eavesdropping or other invasion of the right to private occupancy, or false arrest, detention or imprisonment or malicious prosecution; including, without limitation, any emotional distress or mental anguish in connection with such conduct; or
 - (6) negligent or intentional infliction of emotional distress, outrage or *prima facie* tort in connection with **Material**.

3. EXCLUSIONS

This policy shall not cover **Loss** in connection with a **Claim** made against an **Insured**:

- (a) alleging, arising out of, based upon or attributable to a dishonest, fraudulent, criminal or malicious act, error or omission, or any intentional or knowing violation of the law; provided, however, the **Insurer** will defend **Suits** that allege any of the foregoing conduct, and that are not otherwise excluded, until there is a final, non-appealable judgment or adjudication against an **Insured** as to such conduct in any action or proceeding other than an action or proceeding initiated by the **Insurer** to determine coverage under this policy, at which time the **Insureds** shall reimburse the **Insurer** for **Defense Costs**.
- (b) alleging, arising out of, based upon or attributable to any misappropriation of trade secret or infringement of patent.
- (c) alleging, arising out of, based upon or attributable to any (1) presence of **Pollutants**, (2) the actual or threatened discharge, dispersal, release or escape of **Pollutants**, or (3) direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants, or in any way respond to or assess the effects of **Pollutants**.
- (d) alleging, arising out of, based upon or attributable to any **Bodily Injury** or **Property Damage**.
- (e) alleging, arising out of, based upon or attributable to any:
 - (1) fire, smoke, explosion, lightning, wind, water, flood, earthquake, volcanic eruption, tidal wave, landslide, hail, act of God or any other physical event, however caused;
 - (2) strikes or similar labor action, war, invasion, military action (whether war is declared or not), civil war, mutiny, civil commotion, popular or military uprising, insurrection, rebellion, revolution, military or usurped power, or any action taken to hinder or defend against any of these events;
 - (3) electrical or mechanical failures of infrastructure not under the control of an **Insured**, including any electrical power interruption, surge, brownout or blackout;
 - (4) failure of telephone lines, data transmission lines or other telecommunications or networking infrastructure not under the control of an **Insured**; or
 - (5) satellite failure.
- (f) alleging, arising out of, based upon or attributable to any:
 - (1) purchase, sale, or offer or solicitation of an offer to purchase or sell securities;
 - (2) violation of any securities law, including the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, or any regulation promulgated under the foregoing statutes, or any federal, state or local laws similar to the foregoing statutes (including "Blue Sky" laws), whether such law is statutory, regulatory or common law;
 - (3) violation of the Organized Crime Control Act of 1970 (commonly known as Racketeer Influenced And Corrupt Organizations Act, or "RICO"), as amended, or any regulation promulgated thereunder or any federal, state or local law similar to the foregoing, whether such law is statutory, regulatory or common law;
 - (4) antitrust violations, restraint of trade, unfair competition, or violations of the Sherman Act, Clayton Act or the Robinson-Patman Act, as amended; provided, however, that this

exclusion shall not apply to unfair competition as referenced in sub-paragraphs (1), (2) or (4) of the definition of **Wrongful Act**; or
(5) violation of the Telephone Consumer Protection Act of 1991, as amended.

(g) alleging, arising out of, based upon or attributable to an **Insured's** employment of any individual or any of an **Insured's** employment practices (including, without limitation, wrongful dismissal, discharge or termination, discrimination, harassment, retaliation or other employment-related claim).

(h) alleging, arising out of, based upon or attributable to any unfair or deceptive business practices, including, without limitation, violations of any local, state or federal consumer protection laws; provided, however, this exclusion shall not apply to **Claims** in connection with the collection of **Material**.

(i) brought by or on behalf of:

(1) any **Insured**;

(2) any business entity that is controlled, managed or operated, directly or indirectly, in whole or in part, by an **Insured**; or

(3) any parent company, **Subsidiary**, successor or assignee of an **Insured**, or any person or entity affiliated with an **Insured** or such business entity through common **Management Control**;

provided, however, this exclusion shall not apply to an **Insured** as described in Sub-paragraph (d)(4) or (d)(5) of the definition of **Insured**.

(j) for any of the following:

(1) the return of an **Insured's** fees or compensation;

(2) any profit or advantage to which an **Insured** is not legally entitled;

(3) an **Insured's** expenses or charges, including employee compensation and benefits, overhead, over-charges or cost over-runs;

(4) civil or criminal fines or penalties imposed against an **Insured** and any matters deemed uninsurable under the law pursuant to which this policy shall be construed;

(5) an **Insured's** costs and expenses of complying with any injunctive or other form of equitable relief;

(6) taxes incurred by an **Insured**;

(7) the amounts for which an **Insured** is not financially liable or which are without legal recourse to any **Insured**;

(8) production costs or the cost of recall, reproduction, reprinting, return or correction of **Material** by any person or entity; or

(9) amounts an **Insured** agrees to pay pursuant to a contract, including without limitation, liquidated damages, setoffs or penalties.

(k) alleging, arising out of, based upon or attributable to any obligation that an **Insured** has under a contract, other than liability from a **Wrongful Act** where such liability has been assumed by an **Insured** in the form of a written hold harmless or indemnity agreement that predates the first such **Wrongful Act**.

- (l) alleging, arising out of, based upon or attributable to any **Wrongful Acts**, or any **Related Acts** thereto, alleged or contained in any **Claim** which has been reported, or in any circumstances of which notice has been given, under any policy of which this **Media Content Coverage Section** is a renewal or replacement or which it may succeed in time.
- (m) alleging, arising out of, based upon or attributable to any **Wrongful Act** occurring prior to the **Retroactive Date** or any **Related Act** thereto, regardless of when such **Related Act** occurs.
- (n) alleging, arising out of, based upon or attributable to any **Wrongful Act** occurring prior to the **Continuity Date**, or any **Related Act** thereto (regardless of when such **Related Act** occurs), if, as of the **Continuity Date**, an **Insured** knew or could have reasonably foreseen that such **Wrongful Act** did or would result in a **Claim** against such **Insured**.
- (o) alleging, arising out of, based upon or attributable to any breach of fiduciary duty, responsibility, or obligation in connection with any employee benefit or pension plan, including violations of the responsibilities, obligations or duties imposed upon fiduciaries by the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended, or similar statutory or common law of the United States of America or any state or jurisdiction therein.
- (p) alleging, arising out of, based upon or attributable to (1) false advertising or misrepresentation in advertising of an **Insured's** products or services, (2) any failure of goods, products or services to conform with an advertised quality or performance, or (3) any infringement of trademark or trade dress by any goods, products or services, including any goods or products displayed or contained in any **Material**.
- (q) brought by or on behalf of: (i) ASCAP, SESAC, BMI, RIAA or other music licensing organizations; (ii) the Federal Trade Commission; (iii) the Department of Health and Human Services or Office of Civil Rights; (iv) the Federal Communications Commission; or (v) any other federal, state, local or foreign government, agency or office.
- (r) brought by or on behalf of any independent contractor, third-party distributor, licensee, sub-licensee, joint venturer, venture partner, any employee of the foregoing, or any employee or agent of an **Insured** alleging, arising out of, based upon or attributable to disputes over the (i) ownership or exercise of rights in **Material**; or (ii) services supplied by such independent contractor, third-party distributor, licensee, sub-licensee, joint venturer, venture partner or employee or agent.
- (s) alleging, arising out of, based upon or attributable to any infringement of copyright related to software, source code or software license; provided, however, that this exclusion shall not apply to any otherwise covered **Claim** alleging an infringement of copyright, trademark or servicemark with respect to **Material** generated or displayed in a publication or broadcast by the use of software.
- (t) alleging, arising out of, based upon or attributable to the failure to protect information used for authenticating or identifying an **Insured's** customers, vendors, suppliers or independent contractors in the normal course of an **Insured's** business.
- (u) alleging, arising out of, based upon or attributable to any:

- (1) accounting or recovery of profits, royalties, fees or other monies claimed to be due from an **Insured**, or any **Claim** brought by any such party against an **Insured** claiming excessive or unwarranted fees, compensation or charges of any kind made by an **Insured**; or
- (2) licensing fees or royalties ordered, directed or agreed to be paid by an **Insured** pursuant to a judgment, arbitration award, settlement agreement or similar order or agreement, for the continued use of a person or entity's copyright, title, slogan, trademark, trade name, trade dress, service mark, service name, or other intellectual property right.

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ENDORSEMENT# 1

This endorsement, effective *12:01 am December 1, 2017* forms a part of
policy number *03-842-02-30*
issued to *State of West Virginia*

by *AIG Specialty Insurance Company*

**NOTICE OF CLAIM
(REPORTING BY E-MAIL)**

In consideration of the premium charged, it is hereby understood and agreed as follows:

1. *Email Reporting of Claims:* In addition to the postal address set forth for any Notice of Claim Reporting under this policy, such notice may also be given in writing pursuant to the policy's other terms and conditions to the Insurer by email at the following email address:

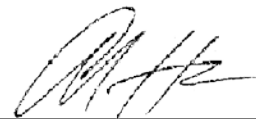
c- claim@AIG.com

Your email must reference the policy number for this policy. The date of the Insurer's receipt of the emailed notice shall constitute the date of notice.

In addition to Notice of Claim Reporting via email, notice may also be given to the Insurer by mailing such notice to: AIG, Financial Lines Claims, P.O. Box 25947, Shawnee Mission, KS 66225 or faxing such notice to (866) 227- 1750.

2. *Definitions:* For this endorsement only, the following definitions shall apply:
 - (a) "Insurer" means the "Insurer," "Underwriter" or "Company" or other name specifically ascribed in this policy as the insurance company or underwriter for this policy.
 - (b) "Notice of Claim Reporting" means "notice of claim/circumstance," "notice of loss" or other reference in the policy designated for reporting of claims, loss or occurrences or situations that may give rise or result in loss under this policy.
 - (c) "Policy" means the policy, bond or other insurance product to which this endorsement is attached.
3. This endorsement does not apply to any Kidnap & Ransom/Extortion Coverage Section, if any, provided by this policy.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



AUTHORIZED REPRESENTATIVE

Or Countersignature (In states where applicable)

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END 001

ENDORSEMENT# 2

This endorsement, effective *12:01 am December 1, 2017* forms a part of
policy number *03-842-02-30*
issued to *State of West Virginia*

by *AIG Specialty Insurance Company*

WEST VIRGINIA
CANCELLATION/NONRENEWAL AMENDATORY ENDORSEMENT

Wherever used in this endorsement: 1) "we", "us", "our", and "Insurer" mean the insurance company which issued this policy; and 2) "you", "your", "named Insured", "First Named Insured", and "Insured" mean the Named Corporation, Named Organization, Named Sponsor, Named Insured, or Insured stated in the declarations page; and 3) "Other Insured(s)" means all other persons or entities afforded coverage under the policy.

In consideration of the premium charged, it is hereby understood and agreed that the cancellation/nonrenewal provisions of this policy are replaced by the following:

CANCELLATION

The Insurer may cancel this policy only for one or more of the following reasons:

1. Failure of the Insured to pay the premium for this policy or any installment thereof within a reasonable time of the due date;
2. The policy was obtained through material misrepresentation;
3. The Insured or Other Insured(s) violate any of the material terms and conditions of the policy;
4. The unavailability of reinsurance, upon sufficient proof thereof being supplied to the commissioner.

Notice

The Insurer may cancel a policy if the Insurer or his duly authorized agent mails to the first named Insured written notice of cancellation. The notice shall be sent certified mail, return receipt requested, not more than thirty (30) days after the reason for cancellation arose or occurred, or the Insurer learned that it arose or occurred, and not less than thirty (30) days prior to the effective date of cancellation. The notice shall specify the reason for cancellation and the circumstances giving rise to the reason stated and inform the Insured of the right to a hearing within thirty (30) days.

Nonrenewal

The Insurer may refuse to renew a policy if written notice of nonrenewal is sent to the first named Insured by certified mail, return receipt requested, not less than ninety (90) days prior to the expiration date of the policy.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



AUTHORIZED REPRESENTATIVE

Or Countersignature (In states where applicable)

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END 002

ENDORSEMENT# 3

This endorsement, effective at *12:01 am December 1, 2017* forms a part of
Policy number *03-842-02-30*
Issued to: *State of West Virginia*

By: *AIG Specialty Insurance Company*

Product Name: *SPECIALTY RISK PROTECTOR*

ECONOMIC SANCTIONS ENDORSEMENT

This endorsement modifies insurance provided under the following:

Coverage shall only be provided and payment of loss under this policy shall only be made in full compliance with enforceable United Nations economic and trade sanctions and the trade and economic sanction laws or regulations of the European Union and the United States of America, including, but not limited to, sanctions, laws and regulations administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC").

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



AUTHORIZED REPRESENTATIVE

Or Countersignature (In states where applicable)

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END 003

ENDORSEMENT# 4

This endorsement, effective *12:01 am December 1, 2017* forms a part of
policy number *03-842-02-30*
issued to *State of West Virginia*

by *AIG Specialty Insurance Company*

CRIMINAL REWARD COVERAGE EXTENSION

This endorsement modifies insurance provided under the following:

Specialty Risk Protector®

In consideration of the premium charged, it is hereby understood and agreed that the policy is amended as follows:

1. The terms, conditions, exclusions and other limitations set forth in this endorsement are solely applicable to coverage afforded by this endorsement, and do not modify the terms, conditions, exclusions and other limitations contained in the policy unless specifically set forth herein. Unless otherwise set forth herein, the terms, conditions, exclusions and other limitations contained in the policy apply to the coverage provided by this endorsement.
2. **CRIMINAL REWARD INSURING AGREEMENT**
The **Insurer** may pay on an **Insured's** behalf, at the **Insurer's** sole and absolute discretion, up to fifty thousand dollars (\$50,000), in the aggregate, as a **Criminal Reward Fund**. No Retention shall apply to this coverage.
3. Solely with respect to the coverage afforded under this endorsement, "**Criminal Reward Fund**" means any amount offered by the **Insurer** for information that leads to the arrest and conviction of any individual(s) committing or trying to commit any illegal act related to the coverage afforded by any **Coverage Section** of this policy.
4. The **Insurer** shall not pay any **Criminal Reward Fund** for, and this policy shall not cover any amount based upon, any information provided by any **Insured**, an **Insured's** auditors, whether internal or external, any individual hired or retained to investigate the aforementioned illegal acts, or any other individuals with responsibilities for the supervision or management of the aforementioned individuals.
5. All exclusions applicable to **Loss** under the **SPL Coverage Section**, **Security and Privacy Coverage Section**, the **Network Interruption Coverage Section**, or the **Event Management Coverage Section** (to the extent any such **Coverage Sections** are purchased) shall apply to the **Criminal Reward Fund** and the coverage afforded under this endorsement.
6. Solely with respect to the coverage afforded under this endorsement, Clause 4. **LIMIT OF LIABILITY** of the **General Terms and Conditions** is amended to include the following paragraph at the end thereof:

CR(a) The **Insurer's** maximum payment as a **Criminal Reward Fund** arising from any and all events occurring during the **Policy Period**, in the aggregate, regardless of the number of events, incidents or **Claims** or amount of **Loss** reported during the **Policy Period**, shall be \$50,000. The **Criminal Reward Fund** shall be in addition to, and is not part of, the **Limit of Liability**.

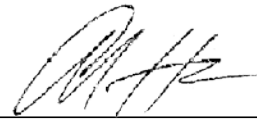
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END 004

ENDORSEMENT# 4 (continued)

7. There shall be no **Retention** applicable to the coverage afforded by this endorsement.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

A handwritten signature in black ink, appearing to be 'M.H.', is written above a horizontal line.

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END 004

ENDORSEMENT# 5

This endorsement, effective *12:01 am December 1, 2017* forms a part of
policy number *03-842-02-30*
issued to *State of West Virginia*

by *AIG Specialty Insurance Company*

**PCI-DSS ASSESSMENT COVERAGE ENDORSEMENT
(SUBLIMIT)**

This endorsement modifies insurance provided under the following:

**Specialty Risk Protector[®]
Security and Privacy Coverage Section**

In consideration of the premium charged, it is hereby understood and agreed that Clause 4. **LIMIT OF LIABILITY** of the **Security and Privacy Coverage Section** is amended by adding the following paragraph to the end thereof:

The maximum liability of the **Insurer** for all amounts payable in connection with **PCI-DSS Assessments** shall be **\$6,000,000**. The amount set forth in this paragraph shall be part of and not in addition to the **Limit of Liability** and the **Sublimit of Liability** for the **Security and Privacy Coverage Section**.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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END 005

ENDORSEMENT# 6

This endorsement, effective *12:01 am December 1, 2017* forms a part of
policy number *03-842-02-30*
issued to *State of West Virginia*

by *AIG Specialty Insurance Company*

RELIANCE UPON OTHER CARRIER'S APPLICATION

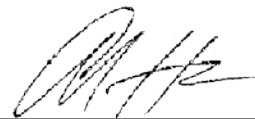
This endorsement modifies insurance provided under the following:

Specialty Risk Protector®
General Terms and Conditions
All Coverage Sections

In granting coverage under this policy, it is agreed that the **Insurer** has relied upon the statements and representations contained in the below referenced application(s) (including materials submitted therewith and, if such application is a renewal application, all such previous policy applications, including the attachments and materials thereto, for which this policy is a renewal or succeeds in time) as being accurate and complete. It is further understood and agreed that the **Named Entity** and the other **Insureds** warrant and represent to the **Insurer** that the statements and representations made in such application(s) were accurate on the date such representations and statements were so given, and in connection therewith, the **Insureds** hereby reaffirm, as accurate, each and every representation and statement made in such application(s) as of the date set forth opposite each such application referenced below as if all such representations and statements were made to the **Insurer** on such date. All such statements and representations shall be deemed material to the risk assumed by the **Insurer**, form the basis of this policy and shall be considered as incorporated into this policy.

TYPE OF POLICY APPLICATION	CARRIER	DATE SIGNED
<i>Cyber Assessment Survey</i>	<i>Board of Risk and Insurance Management</i>	<i>July 13, 2017</i>

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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END 006

ENDORSEMENT# 7

This endorsement, effective *12:01 am December 1, 2017* forms a part of
policy number *03-842-02-30*
issued to *State of West Virginia*

by *AIG Specialty Insurance Company*

E-DISCOVERY CONSULTANT SERVICES COVERAGE ENDORSEMENT

This endorsement modifies insurance provided under the following:

**Specialty Risk Protector®
General Terms and Conditions**

In consideration of the premium charged, it is hereby understood and agreed that a **Company** may elect coverage for **E-Discovery Consultant Services**. To provide such coverage, this policy is amended as follows:

1. E-DISCOVERY CONSULTANT SERVICES COVERAGE

The **Insurer** shall pay on a **Company's** behalf, the **E-Discovery Loss** of such **Company** arising from a **Suit** made against any **Insured** for a covered **Third Party Event**, for which **E-Discovery** is required or becomes necessary.

A **Company** may select a pre-approved **E-Consultant Firm** to perform **E-Discovery Consultant Services**, without further approval by the **Insurer**, at such time that it becomes necessary for such **Company** (or a natural person **Insured** employed by or affiliated with such **Company**) to respond to a discovery request.

Coverage for **E-Discovery Loss**, up to the **E-Discovery Sublimit of Liability**, shall not be subject to any Retention amount, provided that payment of any **E-Discovery Loss** pursuant to this endorsement shall not waive any rights of the **Insurer** under this policy or at law.

2. Clause 4. **LIMIT OF LIABILITY** of the **General Terms and Conditions** is amended by adding the following paragraphs to the end thereof:

The **Insurer's** maximum liability for all **E-Discovery Loss**, in the aggregate, arising from all **Suits** covered under this policy, shall be \$25,000 (the "**E-Discovery Sublimit of Liability**"). This **E-Discovery Sublimit of Liability** shall be part of and not in addition to the **Limit of Liability** and will in no way serve to increase the **Limit of Liability**.

E-Discovery Consultant Services shall conclude once such services are no longer required or necessary or when the **E-Discovery Sublimit of Liability** has been exhausted, whichever comes first.

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END 007

It is further understood and agreed that the coverage provided under this endorsement shall not waive the **Insurer's** obligation to pay **Defense Costs** (inclusive but not limited to **Defense Costs** for **E-Discovery Consultant Services**) subject to all other terms, conditions and exclusions of this policy, including any purchased **Coverage Sections**.

3. Solely with respect to the coverage afforded by this endorsement, the following definitions shall apply:

(a) "**E-Consultant Firm**" means any firm on the **Insurer's** list of approved firms. The list of approved **E-Consultant Firms** is accessible at <http://www.aig.com/us/panelcounseldirectory> by clicking on the link for "e-Consultant Panel Members."

(b) "**E-Discovery**" means the development, collection, storage, organization, cataloging, preservation and/or production of electronically stored information.

(c) "**E-Discovery Loss**" means the reasonable and necessary consulting fees for the **E-Discovery Consultant Services** provided solely to a **Company** by an **E-Consultant Firm**. Provided, however, **E-Discovery Loss** shall not include any costs of discovery other than **E-Discovery Loss**.

(d) "**E-Discovery Consultant Services**" means solely the following services performed by an **E-Consultant Firm**:

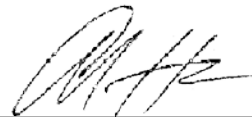
1. assisting the **Insured** with managing and minimizing the internal and external costs associated with **E-Discovery**;
2. assisting the **Insured** in developing an **E-Discovery** strategy which may include interviewing qualified and cost effective **E-Discovery** vendors; and
3. serving as project manager, advisor and/or consultant to the **Insured**, defense counsel and the **Insurer** in executing and monitoring the **E-Discovery** strategy.

E-Discovery Consultant Services also includes any other services provided by the **E-Consultant Firm** that the **Insured**, **Insurer** and **E-Consultant Firm** agree are reasonable and necessary given the circumstances of a **Suit**.

4. Clause 5. **RETENTION** of the **General Terms and Conditions** is amended to include the following provision at the end thereof:

No Retention shall apply to **E-Discovery Loss** covered under this endorsement.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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ENDORSEMENT# 8

This endorsement, effective *12:01 am December 1, 2017* forms a part of
policy number *03-842-02-30*
issued to *State of West Virginia*

by *AIG Specialty Insurance Company*

**NOTICE OF CLAIM PROVISION AMENDATORY ENDORSEMENT
(SIXTY- DAY POST POLICY REPORTING PERIOD)**

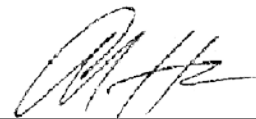
This endorsement amends the General Terms and Conditions.

In consideration of the premium charged, it is hereby understood and agreed that in Clause 6. **NOTICE**, Paragraph (a), the second paragraph is deleted in its entirety and replaced with the following:

Notwithstanding the foregoing and regardless of whether any personnel described in (1) above has become aware, in all events each **Claim** under a **Claims- Made and Reported Coverage Section** must be reported no later than either:

- (1) sixty (60) days after the end of the **Policy Period**; or
- (2) the end of any applicable **Discovery Period**.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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ENDORSEMENT# 9

This endorsement, effective at *12:01 am December 1, 2017* forms a part of
Policy number *03-842-02-30*
Issued to: *State of West Virginia*

By: *AIG Specialty Insurance Company*

Product Name: *SPECIALTY RISK PROTECTOR*

BITCOIN RANSOM COVERAGE ENDORSEMENT

This endorsement amends the Cyber Extortion Coverage Section.

In consideration of the premium charged, it is hereby understood and agreed that the definition of "**Loss**" in paragraph 2(f) of the **Cyber Extortion Coverage Section** is amended to include the following:

"Loss" also includes any monies paid by an **Insured** with the **Insurer's** prior written consent to obtain Bitcoin or other cryptocurrency to be surrendered as payment to terminate a **Security Threat** or **Privacy Threat**.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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ENDORSEMENT# 10

This endorsement, effective *12:01 am December 1, 2017* forms a part of
policy number *03-842-02-30*
issued to *State of West Virginia*

by *AIG Specialty Insurance Company*

CANCELLATION PROVISION AMENDATORY ENDORSEMENT

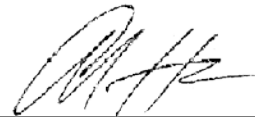
This endorsement modifies insurance provided under the following:

**Specialty Risk Protector®
General Terms and Conditions**

In consideration of the premium charged, it is hereby understood and agreed that in Clause 8., "**CANCELLATION**" of the **General Terms and Conditions**, paragraph (b), "By the **Insurer**:" is deleted in its entirety and replaced with the following:

- (b) *By the Insurer*: This policy may be canceled by the **Insurer's** delivering to the **Named Entity** by registered, certified, other first class mail or other reasonable delivery method, at the address of the **Named Entity** set forth in Item 1 of the Declarations, written notice stating when, not less than *Ninety (90)* days thereafter (ten (10) days in the event of cancellation for non- payment of premium), the cancellation shall be effective. Proof of mailing or delivery of such notice as aforesaid shall be sufficient proof of notice and this policy shall be deemed canceled as to all **Insureds** at the date and hour specified in such notice.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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END 010

ENDORSEMENT# 11

This endorsement, effective *12:01 am December 1, 2017* forms a part of
policy number *03-842-02-30*
issued to *State of West Virginia*

by *AIG Specialty Insurance Company*

CHOICE OF PANEL COUNSEL ENDORSEMENT

This endorsement modifies insurance provided under the following:

**Specialty Risk Protector®
General Terms and Conditions**

In consideration of the premium charged, it is hereby understood and agreed that the policy is amended as follows:

- A. With regard to any **Claim** for which an **Insured** seeks coverage, the initial choice of counsel ("**Chosen Counsel**") shall be made by such **Insured** from the **Insurer's** list of panel firms, which list is available upon request by an **Insured**, provided, however, that any and all **Defense Costs** of **Chosen Counsel** shall be paid and satisfied on an ongoing basis by the **Insureds** until all applicable Retention amounts have been satisfied.
- B. With regard to any **Claim** for which an **Insured** seeks coverage, such **Insured** agrees that as a condition precedent to coverage for **Defense Costs** incurred through **Chosen Counsel** in excess of the applicable Retention amount, such **Insured** and **Chosen Counsel** must comply with the **Insurer's** Litigation Management Guidelines (the "**Guidelines**"), which are available upon request by an **Insured**. The **Insureds** understands and agrees that the **Guidelines** contain reasonable and necessary reporting and billing procedures to be followed by **Chosen Counsel**, including, without limitation:
 - 1. development of a litigation plan and litigation budget;
 - 2. pre-approved rates for services;
 - 3. pre-approval by the **Insurer** before designated legal services are provided; and
 - 4. the require format for submitting **Defense Costs** to the **Insurer**.

The **Guidelines** also require that **Chosen Counsel** work closely and communicate regularly with the **Insurer's** assigned claims professional in coordinating defense efforts and that **Chosen Counsel** apprise the **Insurer** on a regular and timely basis as to significant case developments.

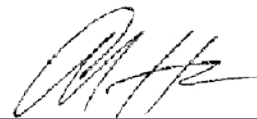
- C. In the event **Insured(s)** cannot select legal counsel from the list of **Chosen Counsel** due to: (1) no firm is available in the jurisdiction in which such **Claim** is brought; (2) an actual conflict of interest; or (3) other circumstances in which the use of unlisted counsel is both reasonable and necessary, the **Insurer** and the **Insured(s)** shall jointly agree upon counsel who will defend the **Insured(s)** in such matter. If the **Insurer** and the **Insured(s)** are unable to agree upon selection of defense counsel, the **Insurer** shall select defense counsel.
- D. Fees, costs, charges, billings and any other expense incurred through any law firm

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END 011

ENDORSEMENT# 11 (continued)

or other service provider, other than **Chosen Counsel** or a firm chosen pursuant to paragraph C above, shall not be recoverable under this policy as **Defense Costs** or otherwise.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

A handwritten signature in black ink, appearing to be 'M.H.', is written above a horizontal line.

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ENDORSEMENT# 12

This endorsement, effective *12:01 am December 1, 2017* forms a part of
policy number *03-842-02-30*
issued to *State of West Virginia*

by *AIG Specialty Insurance Company*

CONDUCT EXCLUSION AMENDATORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

Specialty Risk Protector
Security and Privacy Coverage Section
Event Management Coverage Section
Network Interruption Coverage Section
Cyber Extortion Coverage Section

In consideration of the premium charged, it is hereby understood and agreed that, in Clause 3. **EXCLUSIONS** of the **Security and Privacy Coverage Section**, the **Event Management Coverage Section**, the **Network Interruption Coverage Section** and the **Cyber Extortion Coverage Section**, subparagraph 3(a)(1) is deleted in its entirety and replaced with the following:

- (1) past or present directors, officers, trustees, general or managing partners or principals (or the equivalent positions), of a **Company** while serving in such capacity and whether acting alone or in collusion with other persons; or

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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ENDORSEMENT# 13

This endorsement, effective at *12:01 am December 1, 2017* forms a part of
Policy number *03-842-02-30*
Issued to: *State of West Virginia*

By: *AIG Specialty Insurance Company*

Product Name: *SPECIALTY RISK PROTECTOR*

**CONTINUITY DATE EXCLUSION AMENDATORY ENDORSEMENT
(NON-ADMINISTRATIVE PERSONNEL IN OFFICES OF THE CONTROL GROUP)**

This endorsement modifies insurance provided under the following:

**Specialty Risk Protector®
All Third Party Coverage Sections
(Claims-Made and Reported Coverage Sections Only)**

In consideration of the premium charged, it is hereby understood and agreed that paragraph 3(n) of each **Third Party Coverage Section** (except the **Security and Privacy Coverage Section**) is deleted in its entirety and replaced with the following:

- (n) alleging, arising out of, based upon or attributable to any **Wrongful Act** occurring prior to the **Continuity Date**, or any **Related Act** thereto (regardless of when such **Related Act** occurs), if, as of the **Continuity Date**, any non-administrative personnel in the office of a member of the **Control Group** knew or could have reasonably foreseen that such **Wrongful Act** did or would result in a **Claim** against an **Insured**.

It is further understood and agreed that paragraph 3(n) of the **Security and Privacy Coverage Section** is deleted in its entirety and replaced with the following:

- (n) alleging, arising out of, based upon or attributable to any **Security Failure** or **Privacy Event** occurring prior to the **Continuity Date**, or any **Related Act** thereto (regardless of when such **Related Act** occurs), if, as of the **Continuity Date**, any non-administrative personnel in the office of a member of the **Control Group** knew or could have reasonably foreseen that such **Security Failure** or a **Privacy Event** did or would result in a **Claim** against an **Insured**.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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ENDORSEMENT# 14

This endorsement, effective at *12:01 am December 1, 2017* forms a part of
Policy number *03-842-02-30*
Issued to: *State of West Virginia*

By: *AIG Specialty Insurance Company*

**DISPUTE RESOLUTION PROCESS PROVISION AMENDATORY ENDORSEMENT
(60 DAY COOLING OFF)**

This endorsement modifies insurance provided under the following:

**Specialty Risk Protector®
General Terms and Conditions**

In consideration of the premium charged, it is hereby understood and agreed that in the **General Terms and Conditions** of the policy, Clause 15. DISPUTE RESOLUTION PROCESS is deleted in its entirety and replaced with the following:

15. DISPUTE RESOLUTION PROCESS

It is hereby understood and agreed that all disputes or differences which may arise under or in connection with this policy, whether arising before or after termination of this policy, including any determination of the amount of **Loss**, must first be submitted to the non-binding mediation process as set forth in this Clause.

The non-binding mediation will be administered by any mediation facility to which the **Insurer** and the **Named Entity** mutually agree, in which all implicated **Insureds** and the **Insurer** shall try in good faith to settle the dispute by mediation in accordance with the American Arbitration Association's ("**AAA**") then-prevailing Commercial Mediation Rules. The parties shall mutually agree on the selection of a mediator. The mediator shall have knowledge of the legal, corporate management, or insurance issues relevant to the matters in dispute. The mediator shall also give due consideration to the general principles of the law of the state where the **Named Entity** is incorporated in the construction or interpretation of the provisions of this policy. In the event that such non-binding mediation does not result in a settlement of the subject dispute or difference:

- (a) either party shall have the right to commence a judicial proceeding; or
- (b) either party shall have the right, with all other parties consent, to commence an arbitration proceeding with the **AAA** that will be submitted to an arbitration panel of three (3) arbitrators as follows: (i) the implicated **Insureds** shall select one (1) arbitrator; (ii) the **Insurer** shall select one (1) arbitrator; and (iii) said arbitrators shall mutually agree upon the selection of the third arbitrator. The arbitration shall be conducted in accordance with the **AAA's** then-prevailing Commercial Arbitration Rules.

Notwithstanding the foregoing, no such judicial or arbitration proceeding shall be commenced until at least 60 days after the date the non-binding mediation shall be deemed concluded or terminated. Each party shall share equally the expenses of the non-binding mediation.

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ENDORSEMENT# 14 (continued)

The non-binding mediation may be commenced in New York, New York; Atlanta, Georgia; Chicago, Illinois; Denver, Colorado; or in the state indicated in Item 1 of the Declarations as the mailing address for the **Named Entity**. The **Named Entity** shall act on behalf of each and every **Insured** in connection with any non-binding mediation under this Clause, the selection of arbitration or judicial proceeding and/or the selection of mediators or arbitrators.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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Page 2 of 2

ENDORSEMENT# 15

This endorsement, effective at *12:01 am December 1, 2017* forms a part of
Policy number *03-842-02-30*
Issued to: *State of West Virginia*

By: *AIG Specialty Insurance Company*

RETENTION AMENDATORY ENDORSEMENT

(RECOGNIZE EROSION BY PREAPPROVED NON-SUIT DEFENSE COSTS)

This endorsement modifies insurance provided under the following:

**Specialty Risk Protector®
General Terms and Conditions**

In consideration of the premium charged, it is hereby understood and agreed that Clause 5. **RETENTION** of the **General Terms and Conditions** is amended to include the following:

With respect to the coverage provided under all **Third Party Coverage Sections**, it is understood and agreed that any **Defense Costs** incurred by an **Insured** with the **Insurer's** written consent in the defense or investigation of a **Claim** that is not a **Suit** shall erode the Retention applicable to such **Claim**.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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Page 1 of 1

ENDORSEMENT# 16

This endorsement, effective at *12:01 am December 1, 2017* forms a part of
Policy number *03-842-02-30*
Issued to: *State of West Virginia*

By: *AIG Specialty Insurance Company*

RETENTION AMENDATORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

**Specialty Risk Protector[®]
General Terms and Conditions**

In consideration of the premium charged, it is hereby understood and agreed that in Clause 5. RETENTION of the General Terms and Conditions, paragraphs (a), (b) and (c) are deleted in their entirety and replaced with the following

If a **First Party Event** or a **Third Party Event** and any **Related Acts** trigger coverage under more than one **Coverage Section**, the highest applicable Retention amount shall apply to all **Loss** arising out of such **First Party Event** or **Third Party Event** and all **Related Acts**.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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ENDORSEMENT# 17

This endorsement, effective *12:01 am* *December 1, 2017* forms a part of
policy number *03-842-02-30*
issued to *State of West Virginia*

by *AIG Specialty Insurance Company*

**SECURITY FAILURE DEFINITION AMENDATORY ENDORSEMENT
(PHYSICAL THEFT OF HARDWARE)**

This endorsement modifies insurance provided under the following:

**Specialty Risk Protector®
Security and Privacy Coverage Section**

In consideration of the premium charged, it is hereby understood and agreed that in Clause 2. **DEFINITIONS** of the **Security and Privacy Coverage Section**, paragraph (p), the definition of "**Security Failure**" is amended to include the following:

"**Security Failure**" also means the physical theft of hardware controlled by a **Company** (or components thereof) on which electronic data is stored, by a person other than an **Insured**, from a premises occupied and controlled by a **Company**, occurring on or after the **Retroactive Date** and prior to the end of the **Policy Period**.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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ENDORSEMENT# 18

This endorsement, effective at *12:01 am December 1, 2017* forms a part of
Policy number *03-842-02-30*
Issued to: *State of West Virginia*

By: *AIG Specialty Insurance Company*

Product Name: *SPECIALTY RISK PROTECTOR*

SECURITY FAILURE DEFINITION AMENDATORY ENDORSEMENT

**This endorsement amends the Security and Privacy Coverage Section
and the Event Management Coverage Section.**

In consideration of the premium charged, it is hereby understood and agreed that the policy is amended as follows:

1. In Clause 2. **DEFINITIONS** of the **Security and Privacy Coverage Section**, in paragraph (p), the definition of "**Security Failure**," the last sentence is deleted in its entirety and replaced with the following:

"**Security Failure**" includes any such failure or violation, resulting from the theft of a password or access code.

2. In Clause 2. **DEFINITIONS** of the **Event Management Interruption Coverage Section**, in paragraph (l), the definition of "**Security Failure**", the last sentence is deleted in its entirety and replaced with the following:

"**Security Failure**" includes any such failure or violation, resulting from the theft of a password or access code.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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ENDORSEMENT# 19

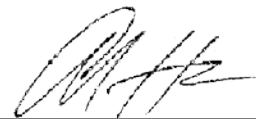
This endorsement, effective *12:01 am December 1, 2017* forms a part of
policy number *03-842-02-30*
issued to *State of West Virginia*

by *AIG Specialty Insurance Company*

STATE AMENDATORY INCONSISTENT ENDORSEMENT

In consideration of the premium charged, it is hereby understood and agreed that in the event that there is an inconsistency between a state amendatory attached to this policy and any term or condition of this policy, then it is understood and agreed that, where permitted by law, the **Insurer** shall apply those terms and conditions of either the amendatory or the policy which are more favorable to the **Insured**.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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ENDORSEMENT# 20

This endorsement, effective *12:01 am December 1, 2017* forms a part of
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issued to *State of West Virginia*

by *AIG Specialty Insurance Company*

SUBSIDIARY THRESHOLD AMENDATORY ENDORSEMENT

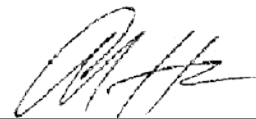
This endorsement modifies insurance provided under the following:

**Specialty Risk Protector®
General Terms and Conditions**

In consideration of the premium charged, it is hereby understood and agreed that in Clause 2. **DEFINITIONS** of the **General Terms and Conditions**, paragraph (u) ("**Subsidiary**"), subparagraphs (2) and (3) are deleted in their entirety and replaced with the following:

- (2) any for-profit entity of which the **Named Entity** acquires **Management Control** during the **Policy Period**, either directly or indirectly, whose gross revenues for the most recent fiscal year prior to the inception of this policy do not exceed *Fifteen* percent (*15%*) of the aggregate gross revenues of the **Companies** for the most recent fiscal year prior to the inception date of this policy;
- (3) any for-profit entity of which the **Named Entity** acquires **Management Control** during the **Policy Period**, either directly or indirectly, whose gross revenues for the most recent fiscal year prior to the inception of this policy exceed *Fifteen* percent (*15%*) of the aggregate gross revenues of the **Companies** for the most recent fiscal year prior to the inception date of this policy, but only once (a) the **Named Entity** shall have provided the **Insurer** with full particulars of such entity and agreed to any additional premium and amendments to this policy relating to such entity; and (b) the **Insurer** has ratified its acceptance of such entity as a **Subsidiary** by endorsement to this policy; and

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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END 020

ENDORSEMENT# 21

This endorsement, effective *12:01 am December 1, 2017* forms a part of
policy number *03-842-02-30*
issued to *State of West Virginia*

by *AIG Specialty Insurance Company*

CYBERTERRORISM COVERAGE ENDORSEMENT

This endorsement modifies insurance provided under the following:

**Specialty Risk Protector
Security and Privacy Coverage Section
Event Management Coverage Section
Network Interruption Coverage Section**

In consideration of the premium charged, it is hereby understood and agreed that, in each purchased **Coverage Section** listed above and in Item 6 of the Declarations, the definition of "**Security Failure**" is amended to include the following at the end thereof:

"**Security Failure**" includes any such failure or violation resulting from **Cyberterrorism**.

For purposes of this endorsement, "**Cyberterrorism**" means the premeditated use of disruptive activities against any computer system or network by an individual or group of individuals, or the explicit threat by an individual or group of individuals to use such activities, with the intention to cause harm, further social, ideological, religious, political or similar objectives, or to intimidate any person(s) in furtherance of such objectives. "**Cyberterrorism**" does not include any such activities which are part of or in support of any military action, war or warlike operation.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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END 021

ENDORSEMENT# 22

This endorsement, effective *12:01 am December 1, 2017* forms a part of
policy number *03-842-02-30*
issued to *State of West Virginia*

by *AIG Specialty Insurance Company*

**SCHEDULE OF MEMBERS ENDORSEMENT
(PER SCHOOL ENTITY SUBLIMIT AND RETENTION)**

**This endorsement amends the Declarations, the General Terms and Conditions,
the Security and Privacy Coverage Section, the Media Content Coverage Section,
the Event Management Coverage Section, the Network Interruption Coverage Section and
the Cyber Extortion Coverage Section.**

In consideration of the premium charged, it is hereby understood and agreed that the policy is amended as follows:

1. Item 5 of the Declarations, **LIMIT OF LIABILITY**, is deleted in its entirety and replaced with the following:

5. LIMIT OF LIABILITY:

(a) \$ **25,000,000** Aggregate Limit of Liability

(b) \$ **6,000,000** Per School Entity Limit of Liability

2. In Item 6. of the Declarations, Column 2. **SUBLIMIT OF LIABILITY** and Column 3. **RETENTION** are deleted in their entirety and replaced with the following:

COVERAGE SECTION		PER SCHOOL ENTITY SUBLIMIT OF LIABILITY		PER SCHOOL ENTITY RETENTION
MC	Media Content Insurance	\$ 6,000,000		\$ 50,000
S&P	Security and Privacy Liability Insurance	\$ 6,000,000		\$ 50,000
	Regulatory Action Sublimit of Liability	\$ 6,000,000		
NI	Network Interruption Insurance	\$ 6,000,000		\$ 50,000
	Waiting Hours Period	12	hours	
EM	Event Management Insurance	\$ 6,000,000		\$ 50,000
CE	Cyber Extortion Insurance	\$ 6,000,000		\$ 50,000
RG	Reputation Guard Insurance	\$ 50,000		\$ 0
	Coinsurance	0	%	

This endorsement, effective *12:01 am December 1, 2017* forms a part of
policy number *03-842-02-30*
issued to *State of West Virginia*

by *AIG Specialty Insurance Company*

3. In Clause 2. **DEFINITIONS** of the **General Terms and Conditions**, paragraph (c), "**Company**," is deleted in its entirety and replaced with the following:
 - (c) "**Company**" means the **Named Entity** and each school entity scheduled in the SCHEDULE OF MEMBERS endorsement (each a "**School Entity**").

4. In Clause 6. **NOTICE** of the **General Terms and Conditions**, paragraph (a), subparagraph (1) is deleted in its entirety and replaced with the following:
 - (1) any personnel in a **Company's** office of the: (i) Dean; (ii) General Counsel; or (iii) Risk Manager; (or equivalent positions) first becomes aware of the **Claim**; or

5. In Clause 2. **DEFINITIONS** of the **Media Content Coverage Section**, paragraph (d), "**Insured**," subparagraphs (1) and (2) are deleted in their entirety and replaced with the following:
 - (1) a **School Entity** and the governing board or body of the **School Entity**, including the Board of Regents, Board of Trustees or Board of Directors;
 - (2) any past, present or future duly elected or appointed director, officer, trustee, member of the Board of Regents, staff, faculty, student teacher, student intern, faculty member (salaried or non-salaried) or employee of a **School Entity**, but only while acting within the scope of his or her duties in connection with the provision of **Material** for such **Company**;

6. In Clause 2. **DEFINITIONS** of the **Security and Privacy Coverage Section**, paragraph (g), "**Insured**," subparagraphs (1) and (2) are deleted in their entirety and replaced with the following:
 - (1) a **School Entity** and the governing board or body of the **School Entity**, including the Board of Regents, Board of Trustees or Board of Directors;
 - (2) any past, present or future duly elected or appointed director, officer, trustee, member of the Board of Regents, staff, faculty, student teacher, student intern, faculty member (salaried or non-salaried) or employee of a **School Entity**;

7. In Clause 3. **EXCLUSIONS** of each of the **Security and Privacy Coverage Section**, the **Event Management Coverage Section**, the **Network Interruption Coverage Section** and the **Cyber Extortion Coverage Section**, paragraph (a), subparagraph (1) is deleted in its entirety and replaced with the following:
 - (1) past or present directors, officers or trustees, members of the Board of Regents or other governing board or body, general or managing partners or principals (or the equivalent positions), whether acting alone or in collusion with other persons; or

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8. Clause 4. **LIMIT OF LIABILITY** is deleted in its entirety and replaced with the following:

4. LIMIT OF LIABILITY

The **Aggregate Limit of Liability** stated in Item 5(a) of the Declarations (as set forth in paragraph 1 of the SCHEDULE OF MEMBERS endorsement) is the **Insurer's** maximum liability for all **Loss** under all **Coverage Sections** combined and the **Insurer** shall not be responsible to pay any **Loss** upon exhaustion of the **Aggregate Limit of Liability**.

The **Per School Entity Limit of Liability** stated in Item 5(b) of the Declarations (as set forth in paragraph 1 of the SCHEDULE OF MEMBERS endorsement) is the **Insurer's** maximum liability for each **School Entity** for all its **Loss** under all **Coverage Sections**. For each **School Entity**, the **Insurer** shall not be responsible to pay any **Loss** upon exhaustion of the **Per School Entity Limit of Liability** for such **School Entity**. The **Per School Entity Limit of Liability** for each **School Entity** shall be part of, and not in addition to, the **Aggregate Limit of Liability**.

For any **Per School Entity Sublimit of Liability** stated in Item 6 of the Declarations, with respect to a **Coverage Section** (as set forth in paragraph 2 of the SCHEDULE OF MEMBERS endorsement), such **Per School Entity Sublimit of Liability** shall be the **Insurer's** maximum liability for each **School Entity** for all its **Loss** with respect to such **Coverage Section** and, for each **School Entity**, the **Insurer** shall not be responsible to pay any **Loss** under such **Coverage Section** upon exhaustion of the **Per School Entity Sublimit of Liability** for such **School Entity**. For each **School Entity**, the **Per School Entity Sublimits of Liability** shall be part of and not in addition to the applicable **Per School Entity Limit of Liability** and the **Aggregate Limit of Liability**, and shall in no way serve to increase such **Per School Entity Limit of Liability** or **Aggregate Limit of Liability**.

The **Aggregate Limit of Liability** and any applicable **Per School Entity Limit of Liability** or **Per School Entity Sublimits of Liability** for any **Discovery Period** shall be part of, and not in addition to, the **Aggregate Limit of Liability** and any applicable **Per School Entity Limit of Liability** and **Per School Entity Sublimits of Liability** for the **Policy Period**.

This endorsement, effective *12:01 am December 1, 2017* forms a part of
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by *AIG Specialty Insurance Company*

Solely with respect to any **Claims-Made and Reported Coverage Sections**, a **Claim** which is made subsequent to the **Policy Period** or **Discovery Period** pursuant to Clauses 6(b) and 6(c) respectively, which is considered made during the **Policy Period** or **Discovery Period** shall also be subject to the **Aggregate Limit of Liability** and any applicable **Per School Entity Limit of Liability** and **Per School Entity Sublimits of Liability**.

9. In Clause 5. **RETENTION** of the **General Terms and Conditions**, the first paragraph is deleted in its entirety and replaced with the following:

For each **School Entity**, the **Insurer** shall only be liable for the amount of **Loss** arising from each **Claim** or **First Party Event** that exceeds the Retention stated in Item 6 of the Declarations (as set forth in paragraph 2 of the SCHEDULE OF MEMBERS endorsement) as applicable to the **Coverage Section** affording coverage to such **Claim** or **First Party Event**. Such Retention amounts must be borne by the **Insureds** and remain uninsured.

10. It is understood and agreed that since there is more than one person or organization covered under this policy, the **Named Entity** set forth in Item 1 of the Declarations shall act on behalf of all **Insureds** as to: (1) giving and receiving notice of cancellation; (2) payment of premiums and receipt of return premiums; (3) acceptance of any changes to this policy; and (4) acceptance or refusal of any applicable **Extended Reporting Period**.

Schedule of School Entities:

1. BARBOUR COUNTY BOARD OF EDUCATION
2. BERKELEY COUNTY BOARD OF EDUCATION
3. BOONE COUNTY BOARD OF EDUCATION
4. BRAXTON COUNTY BOARD OF EDUCATION
5. BROOKE COUNTY BOARD OF EDUCATION
6. CABELL COUNTY BOARD OF EDUCATION
7. CALHOUN COUNTY BOARD OF EDUCATION
8. CLAY COUNTY BOARD OF EDUCATION

ENDORSEMENT# 22 (Continued)

This endorsement, effective *12:01 am December 1, 2017* forms a part of
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9. DODDRIDGE COUNTY BOARD OF EDUCATION
10. FAYETTE COUNTY BOARD OF EDUCATION
11. GILMER COUNTY BOARD OF EDUCATION
12. GRANT COUNTY BOARD OF EDUCATION
13. GREENBRIER COUNTY BOARD OF EDUCATION
14. HAMPSHIRE COUNTY BOARD OF EDUCATION
15. HANCOCK COUNTY BOARD OF EDUCATION
16. HARDY COUNTY BOARD OF EDUCATION
17. HARRISON COUNTY BOARD OF EDUCATION
18. JACKSON COUNTY BOARD OF EDUCATION
19. JEFFERSON COUNTY BOARD OF EDUCATION
20. KANAWHA COUNTY BOARD OF EDUCATION
21. LEWIS COUNTY BOARD OF EDUCATION
22. LINCOLN COUNTY BOARD OF EDUCATION
23. LOGAN COUNTY BOARD OF EDUCATION
24. MCDOWELL COUNTY BOARD OF EDUCATION
25. MARION COUNTY BOARD OF EDUCATION
26. MARSHALL COUNTY BOARD OF EDUCATION
27. MASON COUNTY BOARD OF EDUCATION
28. MERCER COUNTY BOARD OF EDUCATION
29. MINERAL COUNTY BOARD OF EDUCATION
30. MINGO COUNTY BOARD OF EDUCATION
31. MONONGALIA COUNTY BOARD OF EDUCATION
32. MONROE COUNTY BOARD OF EDUCATION

ENDORSEMENT# 22 (Continued)

This endorsement, effective *12:01 am December 1, 2017* forms a part of
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by *AIG Specialty Insurance Company*

33. MORGAN COUNTY BOARD OF EDUCATION
34. NICHOLAS COUNTY BOARD OF EDUCATION
35. OHIO COUNTY BOARD OF EDUCATION
36. PENDLETON COUNTY BOARD OF EDUCATION
37. PLEASANTS COUNTY BOARD OF EDUCATION
38. POCAHONTAS COUNTY BOARD OF EDUCATION
39. PRESTON COUNTY BOARD OF EDUCATION
40. PUTNAM COUNTY BOARD OF EDUCATION
41. RALEIGH COUNTY BOARD OF EDUCATION
42. RANDOLPH COUNTY BOARD OF EDUCATION
43. RITCHIE COUNTY BOARD OF EDUCATION
44. ROANE COUNTY BOARD OF EDUCATION
45. SUMMERS COUNTY BOARD OF EDUCATION
46. TAYLOR COUNTY BOARD OF EDUCATION
47. TUCKER COUNTY BOARD OF EDUCATION
48. TYLER COUNTY BOARD OF EDUCATION
49. UPSHUR COUNTY BOARD OF EDUCATION
50. WAYNE COUNTY BOARD OF EDUCATION
51. WEBSTER COUNTY BOARD OF EDUCATION
52. WETZEL COUNTY BOARD OF EDUCATION
53. WIRT COUNTY BOARD OF EDUCATION
54. WOOD COUNTY BOARD OF EDUCATION
55. WYOMING COUNTY BOARD OF EDUCATION
56. ROANE-JACKSON TECHNICAL CENTER

ENDORSEMENT# 22 (Continued)

This endorsement, effective *12:01 am December 1, 2017* forms a part of
policy number *03-842-02-30*
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by *AIG Specialty Insurance Company*

57. MID OHIO VALLEY TECHNICAL INSTITUTE
58. JAMES RUMSEY TECHNICAL INSTITUTE
59. FRED W EBERLE TECHNICAL CENTER
60. CALHOUN-GILMER CAREER CENTER
61. UNITED TECHNICAL CENTER
62. SOUTH BRANCH CAREER & TECHNICAL CENTER

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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END 22

ENDORSEMENT# 23

This endorsement, effective *12:01 am December 1, 2017* forms a part of
policy number *03-842-02-30*
issued to *State of West Virginia*

by *AIG Specialty Insurance Company*

DEDUCTIBLE AMENDATORY ENDORSEMENT

**This endorsement amends the Declarations, the General Terms and Conditions,
the Security and Privacy Coverage Section, the Event Management Coverage Section
and the Cyber Extortion Coverage Section.**

In consideration of the premium charged, it is hereby understood and agreed that:

DECLARATIONS

1. In Item 6 of the Declarations, the column titled "**RETENTION**" is deleted in its entirety and replaced with the following:

6	COVERAGE SECTION		DEDUCTIBLE
	S&P	Security and Privacy Liability Insurance	\$[50,000]
		Regulatory Action Sublimit of Liability	
	EM	Event Management Insurance	\$[50,000]
		Coinsurance	
	CE	Cyber Extortion Insurance	\$[50,000]

GENERAL TERMS AND CONDITIONS

2. In the **General Terms and Conditions**, Clause 5. **RETENTION** is deleted in its entirety and replaced with the following:

5. **DEDUCTIBLE**

The Deductible amount applicable to each **Coverage Section**, as set forth in Item 6 of the Declarations, shall be paid by the **Insureds**. The Deductible shall be applied to the payment of **Loss**, and shall be part of, not in addition to, the **Limit of Liability** and any applicable **Sublimit of Liability**.

This endorsement, effective *12:01 am December 1, 2017* forms a part of
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The **Insurer** may advance payment of part or all of the Deductible amount and, upon notification of such payment made, the **Insureds** must, within forty-five (45) days of the receipt of such notification, promptly reimburse the **Insurer** for the Deductible amounts advanced by the **Insurer**.

If a **First Party Event** or a **Third Party Event** and any **Related Acts** trigger coverage under more than one **Coverage Section**, the highest applicable Deductible amount shall apply to all **Loss** arising out of such **First Party Event** or **Third Party Event** and all **Related Acts**.

3. In Clause 7. **INSURED'S OBLIGATIONS** of the **General Terms and Conditions**, subparagraph (d)(1) is deleted in its entirety and replaced with the following:

(1) assume any financial obligation or incur any cost unless specifically allowed to settle any **Claim** on behalf of all **Insureds** within the applicable Deductible pursuant to a **Coverage Section**.

4. In Clause 9. **DISCOVERY** of the **General Terms and Conditions**, the last sentence in paragraph (a) is deleted in its entirety and replaced with the following:

The **Automatic Discovery Period** shall not apply where an **Optional Discovery Period** has been purchased or to **Claims** that are covered under any subsequent insurance an **Insured** purchases or that is purchased for an **Insured's** benefit, or that would be covered by any subsequent insurance but for the exhaustion of the amount of insurance applicable to such **Claims** or any applicable Deductible amount.

SECURITY AND PRIVACY COVERAGE SECTION

5. In Clause 1. **INSURING AGREEMENTS** of the **Security and Privacy Coverage Section**, the Section titled "**SECURITY AND PRIVACY INSURING AGREEMENT**" is deleted in its entirety and replaced with the following:

SECURITY AND PRIVACY INSURING AGREEMENT

The **Insurer** shall pay on an **Insured's** behalf all **Loss** in excess of the applicable Deductible that such **Insured** is legally obligated to pay resulting from a **Claim** alleging a **Security Failure** or a **Privacy Event**.

6. In Clause 1. **INSURING AGREEMENTS** of the **Security and Privacy Coverage Section**, paragraph (c) of the Section titled "**DEFENSE**" is amended by deleting the last sentence in its entirety and replacing it with the following:

This endorsement, effective *12:01 am December 1, 2017* forms a part of
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This Clause shall not apply to any settlement where the total incurred **Loss** does not exceed the applicable Deductible amount.

7. In Clause 1. **INSURING AGREEMENTS** of the **Security and Privacy Coverage Section**, paragraph (b) of the Section titled "**SETTLEMENT**" is deleted in its entirety and replaced with the following:
- (b) An **Insured** may settle any **Claim** on behalf of all **Insureds** to which this insurance applies and which are subject to one Deductible amount where the total incurred **Loss** does not exceed the Deductible amount.

EVENT MANAGEMENT COVERAGE SECTION

8. In Clause 1. **INSURING AGREEMENTS** of the **Event Management Coverage Section**, the Section titled "**EVENT MANAGEMENT INSURING AGREEMENT**" is deleted in its entirety and replaced with the following:

EVENT MANAGEMENT INSURING AGREEMENT

The **Insurer** shall pay all **Loss**, in excess of the applicable Deductible, that an **Insured** incurs solely as a result of an alleged **Security Failure** or a **Privacy Event** that has actually occurred or is reasonably believed by such **Insured** and the **Insurer** to have occurred.

CYBER EXTORTION COVERAGE SECTION

9. In Clause 1. **INSURING AGREEMENTS** of the **Cyber Extortion Coverage Section**, the Section titled "**CYBER EXTORTION INSURING AGREEMENT**" is deleted in its entirety and replaced with the following:

CYBER EXTORTION INSURING AGREEMENT

The **Insurer** shall pay all **Loss** in excess of the applicable Deductible that an **Insured** incurs solely as a result of a **Security Threat** or **Privacy Threat**.

10. It is further understood and agreed that, in addition to the provisions set forth in paragraphs 1-9 above, in the Declarations, **General Terms and Conditions**, all **Coverage Sections** and endorsements to this policy, any use of the term "Retention" shall be deleted and replaced with the term "Deductible".

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED



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END 23

ENDORSEMENT# 24

This endorsement, effective *12:01 am December 1, 2017* forms a part of
policy number *03-842-02-30*
issued to *State of West Virginia*

by *AIG Specialty Insurance Company*

**NOTICE OF CLAIM PROVISION AMENDED ENDORSEMENT
(QUARTERLY BORDEREAU REPORTING - CLAIMS AND EVENTS UNDER \$250,000;
NON-CLASS ACTION CLAIMS; LARGE PRIVACY EVENTS)**

This endorsement amends the General Terms and Conditions.

In consideration of the premium charged, it is hereby understood and agreed that, in Clause 6. "notice," of the **General Terms and Conditions**, paragraph (a) is deleted in its entirety and replaced with the following:

- (a) The **Insureds** shall, as a condition precedent to the obligations of the **Insurer** under this policy, give written notice to the **Insurer** of any (i) **Claims** (other than **Class Action Claims** and **Large Privacy Events**) made against an **Insured**, or any **First Party Event** (other than **Large Privacy Events**), for which the total **Loss** incurred with such **Claim** or **First Party Event** (and any related **Claims** or **First Party Events** thereto) exceeds or is reasonably estimated to exceed \$250,000, (ii) **Class Action Claims**, or (iii) **Large Privacy Events** as soon as practicable after (1) any personnel in the office of any member of the **Control Group** first becomes aware of such **Claim**; or (2) any such **First Party Event** commences or, solely with respect to a **Discovery Coverage Section**, is discovered.

With respects to all **Claims** (other than **Class Action Claims** and **Large Privacy Events**) and **First Party Events** (other than **Large Privacy Events**) for which total **Loss** does not exceed, and is not reasonably estimated to exceed, \$250,000, the **Named Entity** shall provide notice to the **Insurer** in the form of a quarterly bordereau. The **Named Entity** shall provide the **Insurer** with such bordereau within twenty (20) business days after the end of each three-month period, beginning at the policy inception date, and such bordereau shall contain the date on which notice of each **Claim** was first received, a description of the allegations, the identity of the claimants and **Insureds** involved, the forum in which the **Claim** was brought, the **Defense Costs** actually incurred to date, the total **Loss** estimated to be incurred and the status of any litigation. With respect to **First Party Events**, such bordereau shall include the date on which each **First Party Event** occurred or was discovered, a full description of the circumstances, causes and effects of the **First Party Event**, the covered **Loss** incurred to date and an estimate of covered **Loss** to be incurred.

Notwithstanding the foregoing, in all events each **Claim** and each **First Party Event** must be reported no later than either:

- (1) forty-five (45) days after the end of the **Policy Period**; or
- (2) the end of any applicable **Discovery Period**.

This endorsement, effective *12:01 am December 1, 2017* forms a part of
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by *AIG Specialty Insurance Company*

For purposes of this endorsement, "**Class Action Claim**" means any **Claim**:

- (1) brought on behalf of a class or putative class of plaintiffs (whether or not certified as such);
- (2) otherwise brought on a representative basis; or
- (3) alleging or arising from the same **Third Party Event** or a series of continuous, repeated or related **Third Party Events** as any **Claim** described in either subparagraphs (1) or (2) above.

For purposes of this endorsement, and solely with respect to the coverage afforded under the **Security and Privacy Coverage Section** and the **Event Management Coverage Section**, "**Large Privacy Event**" means any **Privacy Event** involving the failure to protect the **Confidential Information** of one hundred (100) or more individuals.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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END 24

ENDORSEMENT# 25

This endorsement, effective *12:01 am December 1, 2017* forms a part of
policy number *03-842-02-30*
issued to *State of West Virginia*

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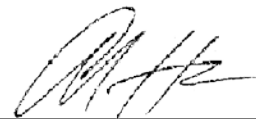
ITEM 1 AMENDATORY ENDORSEMENT

This endorsement amends the Declarations of the policy.

In consideration of the premium charged, it is hereby understood and agreed that Item 1 of the Declarations "NAMED ENTITY," is deleted in its entirety and replaced with the following:

1	NAMED ENTITY	Named Entity	<i>State of West Virginia</i>
		Mailing Address	<i>Department of Administration Board of Risk and Insurance Management 1124 Smith Street Suite 4300 CHARLESTON, WV 25301</i>

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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END 025

ENDORSEMENT# 26

This endorsement, effective *12:01 am December 1, 2017* forms a part of
policy number *03-842-02-30*
issued to *State of West Virginia*

by *AIG Specialty Insurance Company*

FORMS INDEX ENDORSEMENT

The contents of the Policy is comprised of the following forms:

FORM NUMBER	EDITION DATE	FORM TITLE
101011	12/13	SRP - DECLARATIONS - NONADMITTED (AIGSIC)
96555	01/15	TRIA DEC DISCLOSURE FORM
101014	12/13	SRP GENERAL TERMS AND CONDITIONS - NONADMITTED (12/13)
115982	12/13	SRP REPUTATIONGUARD COVERAGE SECTION
101017	12/13	CYBER EXTORTION COVERAGE SECTION (12/13)
101018	12/13	EVENT MANAGEMENT COVERAGE SECTION (12/13)
101024	12/13	SECURITY AND PRIVACY COVERAGE SECTION (12/13)
101021	12/13	NETWORK INTERRUPTION COVERAGE SECTION (12/13)
101019	12/13	MEDIA CONTENT COVERAGE SECTION (CLAIMS MADE) (12/13)
99758	08/08	NOTICE OF CLAIM (REPORTING BY E-MAIL)
52176	08/02	WEST VIRGINIA CANCELLATION/NONRENEWAL ENDORSEMENT
119679	09/15	ECONOMIC SANCTIONS ENDORSEMENT
105567	05/10	CRIMINAL REWARD COVERAGE EXTENSION
115987	12/13	PCI-DSS ASSESSMENT COVERAGE ENDORSEMENT (SUBLIMIT)
105167	04/10	RELIANCE UPON OTHER CARRIERS APPLICATION
107376	11/10	E-DISCOVERY CONSULTANT SERVICES COVERAGE ENDORSEMENT
103456	11/09	NOTICE OF CLAIM PROVISION AMENDATORY ENDORSEMENT (SIXTY DAY POST POLICY REPORTING PERIOD)
121388	03/16	BITCOIN RANSOM COVERAGE ENDORSEMENT
101669	06/09	CANCELLATION PROVISION AMENDATORY ENDORSEMENT
103452	11/09	CHOICE OF PANEL COUNSEL ENDORSEMENT
111375	07/12	CONDUCT EXCLUSION AMENDATORY ENDORSEMENT
115991	12/13	CONTINUITY DATE EXCLUSION AMENDATORY ENDORSEMENT NONADMINISTRATIVE PERSONNEL IN OFFICES OF THE CONTROL GROUP

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END 026

ENDORSEMENT# 26

This endorsement, effective *12:01 am December 1, 2017* forms a part of
policy number *03-842-02-30*
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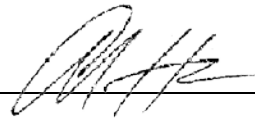
by *AIG Specialty Insurance Company*

FORMS INDEX ENDORSEMENT

The contents of the Policy is comprised of the following forms:

FORM NUMBER	EDITION DATE	FORM TITLE
118108	08/14	DISPUTE RESOLUTION PROCESS PROVISION AMENDATORY ENDORSEMENT (60 DAY COOLING OFF)
118107	08/14	RETENTION AMENDATORY ENDORSEMENT (RECOGNIZE EROSION BY PREAPPROVED NON-SUIT DEFENSE COSTS)
105565	05/10	RETENTION AMENDATORY ENDORSEMENT
115989	12/13	SECURITY FAILURE DEFINITION AMENDATORY ENDORSEMENT (PHYSICAL THEFT OF HARDWARE)
122081	06/16	SECURITY FAILURE DEFINITION AMENDATORY ENDORSEMENT
105165	04/10	STATE AMENDATORY INCONSISTENT ENDORSEMENT
101641	12/13	SUBSIDIARY THRESHOLD AMENDATORY ENDORSEMENT
117895	05/14	CYBERTERRORISM COVERAGE ENDORSEMENT
MNSCPT		SCHEDULE OF MEMBERS ENDORSEMENT
MNSCPT		DEDUCTIBLE AMENDATORY ENDORSEMENT
MNSCPT		NOTICE OF CLAIM PROVISION AMENDED ENDORSEMENT
101656	06/09	ITEM 1 AMENDATORY ENDORSEMENT
78859	10/01	FORMS INDEX ENDORSEMENT

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



AUTHORIZED REPRESENTATIVE
Or Countersignature (In states where applicable)

END 026



**CLAIM REPORTING FORM
FIDELITY SUPPLEMENTAL**

(Only complete this supplemental if the Claim is being reported under Fidelity Coverage)

Issuing Company: *AIG Specialty Insurance Company*

Reported under Policy/Bond Number: 03-842-02-30



Date of Discovery: _____ Estimated Amount of loss: _____

Cause of Loss:	Employee Dishonesty	_____	Computer Fraud	_____
	Funds Transfer	_____	Robbery/Burglary	_____
	ID Theft	_____	Forgery	_____
	Client Property	_____	In Transit	_____
	ERISA	_____	Credit Card Forgery	_____
	Other	_____	if Other, describe:	_____



Send Notice Of Claims To:	AIG	Phone: (888) 602- 5246
	Financial Lines Claims	Fax: (866) 227- 1750
	P.O. Box 25947	Email: c- Claim@AIG.com
	Shawnee Mission, KS 66225	