

MLI ElitePac® COVERAGE

MANAGEMENT LIABILITY
MY 00 07 04 13

SCHEDULE

INSURING AGREEMENT	LIMIT	DEDUCTIBLE
<p>CRISIS RESPONSE COVERAGE</p> <p>CRISIS INCIDENT BUSINESS INCOME (AND EXTRA EXPENSE)</p> <p>CRISIS INCIDENT COUNSELING EXPENSE</p>	<p>\$50,000 Each Covered Crisis Incident At Each Covered Location And Annual Aggregate For All Covered Crisis Incidents Each Covered Location Any One Policy Period</p> <p>\$10,000 Each Covered Crisis Incident At Each Covered Location And Annual Aggregate For All Covered Crisis Incidents Each Covered Location Any One Policy Period</p>	<p>Business Income - Twenty-four (24) Hour Waiting Period Per Crisis Incident</p> <p>Extra Expense - None</p> <p>None</p>
EMPLOYEE THEFT (INCLUDING EMPLOYEE BENEFIT PLANS)	\$100,000 Any One Policy Period	\$500 Per Occurrence
IDENTITY RECOVERY	\$25,000 Each Identity Recovery Insured Any One Policy Period	\$250 Per Occurrence
SECURITY BREACH EXPENSES	\$50,000 Annual Aggregate Any One Policy Period	\$1,000 Per Claim

SECTION I — COVERAGE PART CONDITIONS

- A. The following conditions from the General Terms and Conditions form apply to this Coverage Part: Cancellation and Nonrenewal; Application; Liberalization Clause; State Amendatory Inconsistency; all Miscellaneous Conditions; all Policy Format Conditions.
- B. The following definitions from the General Terms and Conditions form apply to this Coverage Part: “company”; “financial insolvency”; “insurer”; “named entity”; and “policy period”.
- C. This Coverage Part is subject to amendatory endorsement(s) attached to this policy unless otherwise noted on the endorsement.
- D. All other terms, conditions, exclusions, and limitations are unique to, and apply exclusively to, each Insuring Agreement in this Coverage Part.

SECTION II — CRISIS RESPONSE COVERAGE INSURING AGREEMENT

A. Crisis Incident Business Income (And Extra Expense)

1. Crisis Incident Business Income

- a. The “insurer” will pay for the actual loss of “Crisis Incident Business Income” the “company” sustains due to the necessary “suspension” of “operations” during the “crisis incident period of restoration”. The “suspension” must be caused by a “covered crisis incident” at a “covered location”. Coverage applies to loss sustained at the “covered location” where the “covered crisis incident” occurred.
- b. If the necessary “suspension” of the “company’s” “operations” caused by or resulting from the “covered crisis incident” produces a “Crisis Incident Business Income” loss payable under this policy, the “insurer” will pay for the actual loss of business income the “company” sustains during the “policy period” that:
 - (1) Begins on the date “operations” are resumed or tenantability of the “covered location” is returned to its pre-loss level; and
 - (2) Ends on the earlier of:
 - (a) The date the “company” could restore “operations” with reasonable speed, to the level that would generate business income comparable to the level that would have existed had no “covered crisis incident” occurred; or
 - (b) The date the “company” could have restored the “covered location” with reasonable speed to a level that would have generated the rental income that would have existed if the “covered crisis incident” had not occurred; or
 - (c) Thirty (30) consecutive days after the date determined in (2)(a) above.
- c. Coverage will begin after a twenty-four (24) hour Waiting Period and end the earlier of the date “operations” are restored to pre-loss condition; or sixty (60) consecutive days after the “covered crisis incident”.

2. Crisis Incident Extra Expense

- a. The “insurer” will pay “Crisis Incident Extra Expense” (other than the expense to repair or replace property) the “company” incurs during the “crisis incident period of restoration” caused by or resulting from a “covered crisis incident” to:
 - (1) Avoid or minimize the “suspension” of business and to continue operations at the “covered location” or at replacement or temporary location, including relocation expenses and costs to equip and operate the replacement location or temporary location; or
 - (2) Minimize the “suspension” of business if the “company” cannot continue “operations”.Coverage applies to expenses incurred at the “covered location” where the “covered crisis incident” occurred.
- b. This coverage will end the earlier of:
 - (1) The date the “company’s” “operations” is restored to a condition similar to that which would have existed had there been no “covered crisis incident”; or
 - (2) Sixty (60) consecutive days after the “covered crisis incident”.
- c. The “insurer” will not pay for the following under “crisis incident extra expense”:
 - (1) The base salary of employees responsible for public relations or communications functions for the “company”;
 - (2) Retainers or other on-going contracted fees from a Public Relations or Communications Organization in effect at the time of the “covered crisis incident”;

(3) Ransom payments; or

(4) Fines or penalties.

d. No deductible applies to “crisis incident extra expense”.

3. Limits for Crisis Incident Business Income (And Extra Expense)

The most the “insurer” will pay for loss at each “covered location” in any one “covered crisis incident” or in any one policy year for all “covered crisis incidents” at each “covered location” is the limit in the schedule above.

If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss sustained during the “policy period”. With respect to an incident which begins in one “policy period” and continues or results in additional loss in subsequent “policy period(s)”, all loss is deemed to be sustained in the “policy period” in which it occurs.

4. Off-Premises Crisis Incident Extra Expense

a. The “insurer” will pay “Off Premises Crisis Incident Extra Expense” the “company” incurs because of “covered crisis incidents” away from the “covered location” for up to sixty (60) consecutive days after the “covered crisis incident”.

b. The most the “insurer” will pay for “Off-Premises Crisis Incident Extra Expense” in any one policy year is \$15,000, regardless of the number of “covered crisis incidents” or “covered locations”. This limit is in addition to the Limits of Insurance shown in the Schedule of this Coverage Part.

c. The “insurer” will not pay for the following under “Off-Premises Crisis Incident Extra Expense”:

(1) The base salary of employees responsible for Public Relations or Communications functions for the “company”;

(2) Retainers or other on-going contracted fees from a Public Relations or Communications Organization in effect at the time of the “covered crisis incident”;

(3) Ransom payments; or

(4) Fines or penalties.

d. No deductible applies to this coverage.

B. Crisis Incident Counseling Expense

1. The “insurer” will pay reasonable and necessary expenses incurred by the “company” for group crisis counseling services the “company” provides following a “covered crisis incident” at a “covered location”. Coverage applies to expenses incurred at the “covered location” where the “covered crisis incident” occurred. Expense payments apply for up to sixty (60) days from the date the “covered crisis incident” occurs. The “insurer” will not pay for expenses occurring after this sixty (60) day period, even if they are related to other expenses which began during the sixty (60) day coverage period.

2. Crisis Incident Counseling Expense does not apply to loss caused by or resulting from food contamination shutdown.

3. Coverage does not apply to individuals who participated in or were responsible for the “covered crisis incident.”

4. The most the “insurer” will pay under Crisis Incident Counseling Expense at each “covered location” in any one “covered crisis incident” or in any one policy year for “all covered crisis incidents” at each “covered location” is \$10,000.

5. No deductible applies to this coverage.

C. Conditions

1. Other Insurance

- (a) If the loss is also covered elsewhere under this policy or in a separate policy, the “insurer” will pay only for the amount of the loss in excess of the amount due from the other insurance, whether collectible or not.
- (b) If the other insurance coverage has a higher deductible, the “insurer” will pay for the difference between the deductible applicable to the coverage in this endorsement and the deductible applicable to the other coverage.
- (c) With respect to Crisis Incident Counseling Expense, Other Insurance includes insurance coverage or non-insurance services from an Employee Assistance Plan or similar service for mental health counseling or crisis intervention for the “company’s” employees.

D. Loss Conditions

1. Appraisal

- a. If the “insurer” and the “company” disagree on the amount of the Net Income and Operating Expense or the amount of loss, either may make a written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser and notify the other of the appraiser selected within twenty (20) days of such demand.
- b. If the “insurer” or the “company” fail to proceed with the appraisal of the covered loss after a written demand is made by either party, then either party may apply to a court having jurisdiction for an order directing the party that failed to proceed with the appraisal to comply with the demand for the appraisal of the loss. In this event, each party will select a competent and impartial appraiser and notify the other of the appraiser selected within twenty (20) days of such order.
- c. The two appraisers will select an umpire. If they cannot agree within fifteen (15) days upon such umpire, either may request the selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of Net Income and Operating Expense amount of loss. If they fail to agree, they will submit the difference to the umpire. A decision agreed to by any two will be binding.
- d. Each party will:
 - (1) Pay its chosen appraiser; and
 - (2) Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, the “insurer” will still retain its right to deny the claim.

2. Duties In The Event Of Loss

In the event of a “covered crisis incident” the “company” must:

- a. Notify law enforcement if a law may have been broken.
- b. Notify the “insurer” in writing as soon as practicable that a “covered crisis incident” has taken place or that another incident or incidents possibly leading to a “covered crisis incident” or “covered crisis incidents” has or have taken place.
- c. The notice shall include the following:
 - (1) The how, when and where of the “covered crisis incident”;
 - (2) Names, addresses and other pertinent information pertaining to injured persons or witnesses; and
 - (3) The nature and location of injuries and damages arising out of the “covered crisis incident”.

- d. Notify the “insurer” as soon as practicable if the “company” intends to provide crisis counseling services.
 - e. Take all reasonable steps to protect the “covered location” from further loss or damage and the individuals from further injury.
 - f. As often as may be reasonably required, permit the “insurer” to inspect the property to prove the injury, damage or loss and to examine the “company’s” books and records.
 - g. Send the “insurer” a signed, sworn proof of loss containing the information the “insurer” requests to investigate the claims within sixty (60) days of the “insurer’s” request. The “insurer” will supply the “company” with the necessary forms.
 - h. Cooperate with the “insurer” in the investigation or settlement of the incident.
 - i. If the “company” intends to continue business, the “company” must resume all or part of its “operations” as quickly as possible.
3. The “insurer” may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the “covered crisis incident”, including the “company’s” books and records. In the event of an examination, the “company’s” answers must be signed.

E. Loss Determination

1. The amount of “Crisis Incident Business Income” loss will be determined based on:
 - a. The Net Income of the business before the “covered crisis incident” occurred;
 - b. The likely Net Income of the business if no “covered crisis incident” had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the “covered crisis incident” on customers or on other businesses;
 - c. The operating expenses, including payroll expenses, necessary to resume “operations” with the same quality of service that existed just before the “covered crisis incident”; and
 - d. Other relevant sources of information, including:
 - (1) The “company’s” financial records and accounting procedures;
 - (2) Bills, invoices and other vouchers; and
 - (3) Deeds, liens or contracts.
2. The amount of “Crisis Incident Extra Expense” will be determined based on:
 - a. All expenses, including “Crisis Incident Communications Expenses”, that exceed the normal operating expenses that would have been incurred by “operations” during the “period of restoration” if the “covered crisis incident” had not occurred.

The “insurer” will deduct from the total of such expenses:

 - (1) The salvage value that remains of any property bought for temporary use during the “crisis incident period of restoration”, once “operations” are resumed; and
 - (2) Any extra expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and
 - b. Necessary expenses that reduce the Business Income loss that otherwise would have been incurred.

3. Resumption Of Operations

The "insurer" will reduce the amount of the "company's":

- a. "Crisis Incident Business Income" loss, other than "Crisis Incident Extra Expense", to the extent the "company" can resume normal "operations", in whole or in part at the described premises or elsewhere.
 - b. "Crisis Incident Extra Expense" loss to the extent the "company" can return "operations" to normal and discontinue such "Crisis Incident Extra Expense".
4. If the "company" does not resume "operations", or does not resume "operations" as quickly as possible, "the insurer" will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

F. Definitions

1. "Communicable disease" means bacterial micro organism transmitted through human contact to food.
2. "Covered crisis incident" means.

- a. Violent Act.

A physical act or attempted act done with malice and intent to cause injury or death to person or persons.

This excludes acts committed, threatened or attempted by the "company", or any of the "company's" partners, directors, officers or trustees.

- b. The following threatened, attempted or committed acts:

- (1) Abduction or kidnapping, meaning the wrongful and illegal seizure of a person. This does not apply to abduction or kidnapping of the person by a parent, spouse, other relative, boyfriend, girlfriend or life partner.

- (2) Stalking of employees or customers;

- (3) Sexual assault; or

- (4) Use of a firearm.

This excludes acts committed, threatened or attempted by any of the "company's" employees, volunteers, partners, directors, managers (if the "company" is a limited liability company), officers or trustees.

- c. Food Contamination Shutdown or the shutdown of a business or location by the Board of Health or other governmental body because of the discovery of, or suspicion of, "food contamination".

"Covered crisis incidents" do not include any incidents in Paragraphs a. and b. above, if such incident(s) is a consequence of, or related in any way to, war, including:

- a. warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

- b. insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

3. "Covered location" means any location or premises the "company" owns or occupies, including the area within 1,000 feet of the building at which these are located. However, a location or premises with more than one building or business personal property in more than one building is considered one "covered location" with respect to the coverages provided by this endorsement, even if the distance between buildings is less than 1,000 feet.

4. "Crisis Incident Business Income" means the:
- a. Net Income (net profit or loss before income taxes) that would have been earned or incurred; and
 - b. Continuing normal operating expenses incurred, including payroll.

For manufacturing risks, this includes the net sales value of production.

For all risks, this includes business income that consists of Net Income (net profit or loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the premises on the "covered location" as furnished and equipped by you, including fair rental value of any portion of the described premises which is occupied by you; and continuing normal operating expenses incurred with that premises, including payroll and the amount of charges which are the legal obligations of the tenant(s) but would otherwise be the "company's" obligations.

5. "Crisis Incident Communication Expense" means:
- a. Reasonable and necessary expenses for the services of a Public Relations or Other Crisis Communications Firm to guide, advise or assist the "company" in internal and external crisis communications; and
 - b. Reasonable and necessary expenses incurred by the "company's" own Communications Department beyond those of its normal communications activities for the "company" to guide, advise or assist the "company" in internal and external crisis communications.
6. "Crisis Incident Extra Expense" means necessary expenses, including "crisis incident communication expense" the "company" incurs during the "crisis incident period of restoration" that the "company" would not have incurred if there had been no loss at the "covered location" resulting from a "covered crisis incident".
7. "Crisis incident period of restoration" means the period that begins after the Waiting Period Deductible and ends on the earlier of:
- a. The date when business is resumed or the "covered location" can be reoccupied by a tenant; or
 - b. Sixty (60) consecutive days after the "covered crisis incident" occurred.
8. "Food contamination" means the occurrence of food poisoning, or suspected food poisoning, of one or more of patrons resulting from tainted food purchased by the "company" or "communicable disease" transmitted by one or more of the "company's" employees.
9. "Off premises crisis incident extra expense" means necessary extra expense such as the additional cost of lodging, food, transportation and "crisis incident communication expense" the "company" incurs as a result of a "covered crisis incident" away from a "covered location".
10. "Operations" means:
- a. The "company's" business activities occurring at the described premises; and
 - b. The tenantability of the "covered location", if the "company" receives rental income from the "covered location".
11. "Suspension" means:
- a. The slowdown or cessation of the "company's" business activities; or
 - b. That a part or all of the "covered location" is rendered untenable, if the "company" receives rental income from the "covered location".

SECTION III — EMPLOYEE THEFT COVERAGE INSURING AGREEMENT

- A.** The “insurer” will extend the insurance provided by this policy to loss sustained resulting directly from an “occurrence” taking place during the “policy period”, except as provided in **Condition D.11.a.** or **D.11.b.**, which is “discovered” by the “company” during the “policy period” or during the period of time provided in the **Extended Period To Discover Loss Condition D.7.**

The “insurer” will pay for loss of or damage to “money”, “securities” and “other property” resulting directly from “theft” committed by an “employee”, whether identified or not, acting alone or in collusion with other persons.

For the purposes of this Insuring Agreement, “theft” shall also include forgery when committed by someone who is an “employee” at the time the loss is sustained.

The most the “insurer” will pay for one or more “occurrences” “discovered” during the term of this coverage, including any extended period to discover loss as set out in **Condition D.7.** is the limit in the schedule.

B. Deductible

The “insurer” will not pay for loss resulting directly from an “occurrence” unless the amount of loss exceeds \$500. The “insurer” will then pay the amount of loss in excess of the Deductible Amount, up to the limit provided.

C. Exclusions

1. This insurance does not cover:

- a.** Loss resulting from “theft” or any other dishonest act committed by:

- (1)** The “company”;
- (2)** Any of the “company’s” directors, officers, trustees, governors, management committee members, members of the management board, partners, or “members”; or
- (3)** If the “company” is a corporation, any person owning twenty-five (25%) or more of the “company” common stock,

whether acting alone or in collusion with other persons.

- b.** Loss caused by an “employee” if the “employee” had also committed “theft” or any other dishonest act prior to the effective date of this insurance and the “company” or any of the “company’s” partners, “members”, “managers”, officers, directors or trustees, not in collusion with the “employee”, learned of that “theft” or dishonest act prior to the “policy period” shown in the Declarations.

c. Indirect Loss

Loss that is an indirect result of an “occurrence” covered by this insurance including, but not limited to, loss resulting from:

- (1)** The “company’s” inability to realize income that the “company” would have realized had there been no loss of or damage to “money”, “securities” or “other property”.
- (2)** Payment of damages of any type for which the “company” are legally liable. But, the “insurer” will pay compensatory damages arising directly from a loss covered under this insurance.
- (3)** Payment of costs, fees or other expenses the “company” incurs in establishing either the existence or the amount of loss under this insurance.

d. Legal Fees, Costs And Expenses

Fees, costs and expenses incurred by the “company” which are related to any legal action.

e. Inventory Shortages

Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:

- (1) an inventory computation; or
- (2) a profit and loss computation.

However, where the “company” establishes wholly apart from such computations that it has sustained a loss, then it may offer inventory records and actual physical count of inventory in support of the amount of loss claimed.

f. Trading

Loss resulting from trading, whether in the “company’s” name or in a genuine or fictitious account.

g. Warehouse Receipts

Loss resulting from the fraudulent or dishonest signing, issuing, canceling or failing to cancel, a warehouse receipt or any papers connected with it.

h. Nuclear Hazard

Loss or damage resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

i. Pollution

Loss or damage caused by or resulting from pollution. Pollution means the discharge, dispersal, seepage, migration, release or escape of any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

j. War And Military Action

Loss or damage resulting from:

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

k. Governmental Action

Loss resulting from seizure or destruction of property by order of governmental authority.

D. Conditions

1. Additional Premises Or Employees

If, while this insurance is in force, the “company” establishes any additional “premises” or hires additional “employees”, other than through consolidation or merger with, or purchase or acquisition of assets or liabilities of, another entity, such “premises” and “employees” shall automatically be covered under this insurance. Notice to the “insurer” of an increase in the number of “premises” or “employees” need not be given and no additional premium need be paid for the remainder of the “policy period” shown in the Declarations.

2. Concealment, Misrepresentation Or Fraud

This insurance is void in any case of fraud by the “company” as it relates to this insurance at any time. It is also void if the “company” or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

- a. This insurance;
- b. The property covered under this insurance;
- c. The “company’s” interest in the property covered under this insurance; or
- d. A claim under this insurance.

3. Consolidation — Merger Or Acquisition

If the “company” consolidates or merges with, or purchases or acquires the assets or liabilities of another entity:

- a. The “company” must give the “insurer” written notice as soon as possible and obtain the “insurer’s” written consent to extend the coverage provided by this insurance to such consolidated or merged entity or such purchased or acquired assets or liabilities. The “insurer” may condition its consent by requiring payment of an additional premium; but
- b. For the first ninety (90) days after the effective date of such consolidation, merger or purchase or acquisition of assets or liabilities, the coverage provided by this insurance shall apply to such consolidated or merged entity or such purchased or acquired assets or liabilities, provided that all “occurrences” causing or contributing to a loss involving such consolidation, merger or purchase or acquisition of assets or liabilities, must take place after the effective date of such consolidation, merger or purchase or acquisition of assets or liabilities.

4. Cooperation

The “company” must cooperate with the “insurer” in all matters pertaining to this insurance as stated in its terms and conditions.

5. Duties In The Event Of Loss

After the “company” “discovers” a loss or a situation that may result in loss of or damage to “money”, “securities” or “other property” the “company” must:

- a. Notify the “insurer” as soon as possible.
- b. Submit to examination under oath at the “insurer’s” request and give the “insurer” a signed statement of its answers.
- c. Produce for examination all pertinent records.
- d. Give the “insurer” a detailed, sworn proof of loss within one-hundred twenty (120) days.
- e. Cooperate with the “insurer” in the investigation and settlement of any claim.

6. Employee Benefit Plans

- a. The “employee benefit plans” (hereinafter referred to as Plan) that are wholly owned and operated by the “company” for the sole benefit of its “employees” are included as Insureds under this coverage.
- b. With respect to loss sustained or “discovered” by any such Plan, the Employee Theft Insuring Agreement is replaced by the following:

The “insurer” will pay for loss of or damage to “funds” and “other property” resulting directly from fraudulent or dishonest acts committed by an “employee”, whether identified or not, acting alone or in collusion with other persons.

- c. If the “named entity” is an entity other than a Plan, any payment the “insurer” makes for loss sustained by any Plan will be made to the Plan sustaining the loss.
- d. If two or more Plans are insured under this insurance, any payment the “insurer” makes for loss:
 - 1. Sustained by two or more Plans; or
 - 2. Of commingled “funds” or “other property” of two or more Plans;resulting directly from an “occurrence” will be made to each Plan sustaining loss in the proportion that the Limit of Insurance required for each Plan bears to the total Limit of Insurance of all Plans sustaining loss.
- e. No deductible applies to loss sustained by any Plan.

7. Extended Period To Discover Loss

The “insurer” will pay for loss that the “company” sustained prior to the effective date of cancellation of this insurance, which is “discovered” by the “company”:

- a. No later than one (1) year from the date of that cancellation. However, this extended period to “discover” loss terminates immediately upon the effective date of any other insurance obtained by the “company”, whether from the “insurer” or another insurer, replacing in whole or in part the coverage afforded under this insurance, whether or not such other insurance provides coverage for loss sustained prior to its effective date.
- b. No later than one (1) year from the date of that cancellation with regard to any “employee benefit plans”.

8. Joint Insured

- a. If more than one entity is named in the Declarations, the “named entity” will act for itself and for every other Insured for all purposes of this insurance. If the “named entity” ceases to be covered, then the next “named entity” will become the “named entity”.
- b. If any insured, or partner, “member” or officer of that “company” has knowledge of any information relevant to this insurance, that knowledge is considered knowledge of every Insured.
- c. If this insurance or any of its coverages is cancelled as to any Insured, loss sustained by that Insured is covered only if it is “discovered” by the “company”:
 - 1. No later than one (1) year from the date of that cancellation. However, this extended period to “discover” loss terminates immediately upon the effective date of any other insurance obtained by that Insured, whether from the “insurer” or another insurer, replacing in whole or in part the coverage afforded under this insurance, whether or not such other insurance provides coverage for loss sustained prior to its effective date.
 - 2. No later than one (1) year from the date of that cancellation with regard to any “employee benefit plans”.
- d. The “insurer” will not pay more for loss sustained by more than one Insured than the amount the “insurer” would pay if all such loss had been sustained by one Insured.
- e. Payment by the “insurer” to the “named entity” for loss sustained by any division or subsidiary of the “company”, other than an “employee benefit plan”, shall fully release the “insurer” on account of such loss.

9. Legal Action Against The Insurer

The “company” may not bring any legal action against the “insurer” involving loss:

- a. Unless the “company” has complied with all the terms of this insurance;
- b. Until ninety (90) days after the “company” has filed proof of loss with the “insurer”; and
- c. Unless brought within two (2) years from the date the “company” “discovered” the loss.

If any limitation in this Condition is prohibited by law, such limitation is amended so as to equal the minimum period of limitation provided by such law.

10. Loss Sustained During Prior Insurance Issued By The “Insurer”

a. Loss Sustained Partly During This Insurance And Partly During Prior Insurance

If the “company” “discovers” loss during the “policy period” shown in the Declarations, resulting directly from an “occurrence” taking place:

- (1) Partly during the “policy period” shown in the Declarations; and
- (2) Partly during the “policy period(s)” of any prior cancelled insurance that the “insurer” or any affiliate issued to the “company” or any predecessor in interest;

and this insurance became effective at the time of cancellation of the prior insurance, the “insurer” will first settle the amount of loss that the “company” sustained during this “policy period”. The “insurer” will then settle the remaining amount of loss that the “company” sustained during the “policy period(s)” of the prior insurance.

b. Loss Sustained Entirely During Prior Insurance

If the “company” “discovers” loss during the “policy period” shown in the Declarations, resulting directly from an “occurrence” taking place entirely during the “policy period(s)” of any prior cancelled insurance that the “insurer” or any affiliate issued to the “company” or any predecessor in interest, the “insurer” will pay for the loss, provided:

- (1) This insurance became effective at the time of cancellation of the prior insurance; and
- (2) The loss would have been covered under this insurance had it been in effect at the time of the “occurrence”.

The “insurer” will first settle the amount of loss that the “company” sustained during the most recent prior insurance. The “insurer” will then settle any remaining amount of loss that the “company” sustained during the “policy period(s)” of any other prior insurance.

c. In settling loss subject to this Condition:

- (1) The most the “insurer” will pay for the entire loss is the highest single Limit of Insurance applicable during the period of loss, whether such limit was written under this insurance or was written under the prior insurance issued by us.
- (2) The “insurer” will apply the applicable Deductible Amount shown in the Declarations to the amount of loss sustained under this insurance. If no loss was sustained under this insurance, the “insurer” will apply the Deductible Amount shown in the Declarations to the amount of loss sustained under the most recent prior insurance.

If the Deductible Amount is larger than the amount of loss sustained under this insurance, or the most recent prior insurance, the “insurer” will apply the remaining Deductible Amount to the remaining amount of loss sustained during the prior insurance.

The “insurer” will not apply any other Deductible Amount that may have been applicable to the loss.

11. Loss Sustained During Prior Insurance Not Issued By “Insurer”

- a. If the “company” “discovers” loss during the “policy period” shown in the Declarations, resulting directly from an “occurrence” taking place during the “policy period” of any prior cancelled insurance that was issued to the “company” or a predecessor in interest by another company, and the period of time to discover loss under that insurance had expired, the “insurer” will pay for the loss under this insurance, provided:
- (1) This insurance became effective at the time of cancellation of the prior insurance; and
 - (2) The loss would have been covered under this insurance had it been in effect at the time of the “occurrence”.
- b. In settling loss subject to this Condition:
- (1) The most the “insurer” will pay for the entire loss is the lesser of the Limits of Insurance applicable during the period of loss, whether such limit was written under this insurance or was written under the prior cancelled insurance.
 - (2) The “insurer” will apply the applicable Deductible Amount shown in the Declarations to the amount of loss sustained under the prior cancelled insurance.
- c. The insurance provided under this Condition is subject to the following:
- (1) If loss covered under this Condition is also partially covered under **Condition D.11.a.**, the amount recoverable under this Condition is part of, not in addition to, the amount recoverable under **Condition D.11.a.**
 - (2) For loss covered under this Condition that is not subject to Paragraph **(c)(1)**, the amount recoverable under this Condition is part of, not in addition to, the Limit of Insurance applicable to the loss covered under this insurance and is limited to the lesser of the amount recoverable under:
 - (a) This insurance as of its effective date; or
 - (b) The prior cancelled insurance had it remained in effect.

12. Other Insurance

The “insurer” will only pay for the amount of loss that exceeds the Limit of Insurance and Deductible Amount of that other insurance, whether the “company” can collect on it or not. The “insurer’s” payment for loss is subject to the terms and conditions of this insurance.

However, if loss covered under this insurance is subject to a Deductible, the “insurer” will reduce the Deductible Amount shown in the Declarations by the sum total of all such other insurance plus any Deductible Amount applicable to that other insurance.

13. Ownership Of Property; Interests Covered

The property covered under this insurance is limited to property:

- a. That the “company” owns or leases; or
- b. That the “company” holds for others whether or not the “company” is legally liable for the loss of such property.

However, this insurance is for the “company’s” benefit only. It provides no rights or benefits to any other person or organization. Any claim for loss that is covered under this insurance must be presented by the “company”.

14. Records

The “company” must keep records of all property covered under this insurance so the “insurer” can verify the amount of any loss.

15. Recoveries

- a. Any recoveries, whether effected before or after any payment under this insurance, whether made by the “insurer” or the “company”, shall be applied net of the expense of such recovery:
- (1) First, to the “company” in satisfaction of the “company’s” covered loss in excess of the amount paid under this insurance;
 - (2) Second, to the “insurer” in satisfaction of amounts paid in settlement of the “company’s” claim;
 - (3) Third, to the “company” in satisfaction of any Deductible Amount; and
 - (4) Fourth, to the “company” in satisfaction of any loss not covered under this insurance.
- b. Recoveries do not include any recovery:
- (1) From insurance, suretyship, reinsurance, security or indemnity taken for our benefit; or
 - (2) Of original “securities” after duplicates of them have been issued.

16. Transfer Of Rights Of Recovery Against Others

The “company” must transfer to the “insurer” all rights of recovery against any person or organization for any loss the “company” sustained and for which the “insurer” has paid or settled. The “company” must also do everything necessary to secure those rights and do nothing after loss to impair them.

17. Valuation — Settlement

- a. The value of any loss for purposes of coverage under this policy shall be determined as follows:
- (1) Loss of “money” but only up to and including its face value. The “insurer” will, at the “company’s” option, pay for loss of “money” issued by any country other than the United States of America:
 - (a) At face value in the “money” issued by that country; or
 - (b) In the United States of America dollar equivalent determined by the rate of exchange published in The Wall Street Journal on the day the loss was “discovered”.
 - (2) Loss of “securities” but only up to and including their value at the close of business on the day the loss was “discovered”. The “insurer” may, at its option:
 - (a) Pay the market value of such “securities” or replace them in kind, in which event the “company” must assign to the “insurer” all rights, title and interest in and to those “securities”; or
 - (b) Pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the “securities”. However, the “insurer” will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of the:
 - i. Market value of the “securities” at the close of business on the day the loss was “discovered”; or
 - ii. The Limit of Insurance applicable to the “securities”.
 - (3) Loss of or damage to “other property” or loss from damage to the “premises” or its exterior for the replacement cost of the property without deduction for depreciation. However, the “insurer” will not pay more than the least of the following:
 - (a) The cost to replace the lost or damaged property with property of comparable material and quality and used for the same purpose;
 - (b) The amount the “company” actually spends that is necessary to repair or replace the lost or damaged property; or
 - (c) The Limit of Insurance applicable to the lost or damaged property.

With regard to Paragraphs **a.(1)(a)** through **a.(3)(c)**, the “insurer” will not pay on a replacement cost basis for any loss or damage:

- (a)** Until the lost or damaged property is actually repaired or replaced; and
- (b)** Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.

If the lost or damaged property is not repaired or replaced, the “insurer” will pay on an actual cash value basis.

- b.** The “insurer” will, at the “company’s” option, settle loss or damage to property other than “money”:
 - (1)** In the “money” of the country in which the loss or damage occurred; or
 - (2)** In the United States of America dollar equivalent of the “money” of the country in which the loss or damage occurred determined by the rate of exchange published in The Wall Street Journal on the day the loss was “discovered”.
- c.** Any property that the “insurer” pays for or replaces becomes the “insurer’s” property.

18. Termination As To Any Employee

This Insuring Agreement terminates as to any “employee”:

- a.** As soon as:
 - (1)** The “company”; or
 - (2)** Any of the “company’s” partners, “members”, “managers”, officers, directors, or trustees not in collusion with the “employee”;

learn of “theft” or any other dishonest act committed by the “employee” whether before or after becoming employed by the “company”.
- (b)** On the date specified in a notice mailed to the “named entity”. That date will be at least thirty (30) days after the date of mailing.

The “insurer” will mail or deliver notice to the “named entity’s” last mailing address known to the “insurer”. If notice is mailed, proof of mailing will be sufficient proof of notice.

E. Definitions

- 1.** “Discover” or “discovered” means the time when the “company” first becomes aware of facts which would cause a reasonable person to assume that a loss of a type covered by this insurance has been or will be incurred, regardless of when the act or acts causing or contributing to such loss occurred, even though the exact amount or details of loss may not then be known.
- 2.** “Employee”:
 - a.** “Employee” means:
 - (1)** Any natural person:
 - (a)** While in the “company’s” service and for the first thirty (30) days immediately after termination of service, unless such termination is due to “theft” or any dishonest act committed by the “employee”;
 - (b)** Who the “company” compensates directly by salary, wages or commissions; and
 - (c)** Who the “company” has the right to direct and control while performing services for the “company”;

(2) Any natural person who is furnished temporarily to the “company”:

(a) To substitute for a permanent “employee” as defined in Paragraph **a.(1)**, who is on leave; or

(b) To meet seasonal or short-term work load conditions;

while that person is subject to the “company’s” direction and control and performing services for the “company”, excluding, however, any such person while having care and custody of property outside the “premises”;

(3) Any natural person who is leased to the “company” under a written agreement between the “company” and a labor leasing firm, to perform duties related to the conduct of its business, but does not mean a temporary employee as defined in Paragraph **a.(2)**;

(4) Any natural person who is:

(a) A trustee, officer, employee, administrator or manager, except an administrator or manager who is an independent contractor, of any “employee benefit plan”; and

(b) A director or trustee of the “company’s” while that person is engaged in handling “funds” or “other property” of any “employee benefit plan”;

(5) Any natural person who is a former “employee”, partner, “member”, “manager”, director or trustee retained as a consultant while performing services for the “company”;

(6) Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody of property outside the “premises”;

(7) Any “employee” of an entity merged or consolidated with the “company” prior to the effective date of this policy; or

(8) Any of the “company’s” “managers”, directors or trustees while:

(a) Performing acts within the scope of the usual duties of an “employee”; or

(b) Acting as a member of any committee duly elected or appointed by resolution of the “company’s” board of directors or board of trustees to perform specific, as distinguished from general, directorial acts on the “company’s” behalf.

b. “Employee” does not mean:

Any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character not specified in Paragraph **2.a**.

3. “Employee benefit plan” means any welfare or pension benefit plan shown in the Declarations that the “company” sponsors and which is subject to the Employee Retirement Income Security Act of 1974 (ERISA) and any amendments thereto.

4. “Funds” means “money” and “securities”.

5. “Manager” means a person serving in a directorial capacity for a limited liability company.

6. “Member” means an owner of a limited liability company represented by its membership interest, who also may serve as a “manager”.

7. “Money” means:

a. Currency, coins and bank notes in current use and having a face value; and

b. Travelers checks, register checks and money orders held for sale to the public.

8. “Occurrence” means

a. An individual act;

- b. The combined total of all separate acts whether or not related; or
- c. A series of acts whether or not related;

committed by an “employee” acting alone or in collusion with other persons, during the “policy period” shown in the Declarations, except as provided under **Condition D.1.k.** or **D.1.l.**

- 9. “Other property” means any tangible property other than “money” and “securities” that has intrinsic value. “Other property” does not include computer programs, electronic data or any property specifically excluded under this insurance.
- 10. “Premises” means the interior of that portion of any building the “company” occupies in conducting the “company’s” business.
- 11. “Securities” means negotiable and nonnegotiable instruments or contracts representing either “money” or property and includes:
 - a. tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 - b. evidences of debt issued in connection with credit or charge cards, which cards are not issued by the “company”;but does not include “money”.
- 12. “Theft” means the unlawful taking of property to the deprivation of the Insured.

SECTION IV — IDENTITY RECOVERY COVERAGE INSURING AGREEMENT

- A. The “insurer” will provide the Case Management Service and Expense Reimbursement Coverage indicated below if all of the following requirements are met:
 - 1. There has been an “identity theft” involving the personal identity of an “identity recovery insured” under this policy; and
 - 2. Such “identity theft” is first discovered by the “identity recovery insured” during the “policy period” for which this Identity Recovery coverage is applicable; and
 - 3. Such “identity theft” is reported to the “insurer” within sixty (60) days after it is first discovered by the “identity recovery insured.”

If all three of the requirements listed above have been met, then the “insurer” will provide the following to the “identity recovery insured”:

1. Case Management Service

Services of an “identity recovery case manager” as needed to respond to the “identity theft”; and

2. Expense Reimbursement

Reimbursement of necessary and reasonable “identity recovery expenses” incurred as a direct result of the “identity theft.”

B. Exclusions

The “insurer” does not cover loss or expense arising from any of the following.

- 1. The theft of a professional or business identity.
- 2. Any fraudulent, dishonest or criminal act by an “identity recovery insured” or any person aiding or abetting an “identity recovery insured”, or by any authorized representative of an “identity recovery insured”, whether acting alone or in collusion with others.
- 3. Loss other than “identity recovery expenses”.

4. An "identity theft" that is first discovered by the "identity recovery insured" prior to or after the period for which this coverage applies. This exclusion applies whether or not such "identity theft" began or continued during the period of coverage.
5. An "identity theft" that is not reported to the "insurer" within sixty (60) days after it is first discovered by the "identity recovery insured."

C. Limits

Case Management Service is available as needed for any one "identity theft" for up to twelve (12) consecutive months from the inception of the service. Expenses the "insurer" incurs to provide Case Management Service do not reduce the amount of limit available for Expense Reimbursement coverage.

Expense Reimbursement coverage is subject to the annual aggregate per "identity recovery insured" in the Schedule. Regardless of the number of claims, this limit is the most the "insurer" will pay for the total of all loss or expense arising out of all "identity thefts" to any one "identity recovery insured" which are first discovered by the "identity recovery insured" during a twelve (12) month period starting with the beginning of the present annual "policy period". If an "identity theft" is first discovered in one "policy period" and continues into other "policy periods", all loss and expense arising from such "identity theft" will be subject to the aggregate limit applicable to the "policy period" when the "identity theft" was first discovered.

Legal costs as provided under **Item d.** of the definition of "identity recovery expenses" are part of, and not in addition to, the Expense Reimbursement coverage limit.

Item e. (Lost Wages) and **Item f.** (Child and Elder Care Expenses) of the definition of "identity recovery expenses" are jointly subject to a sublimit of \$250 per day, not to exceed \$5,000 in total. This sublimit is part of, and not in addition to, the Expense Reimbursement coverage limit. Coverage is limited to wages lost and expenses incurred within twelve (12) months after the first discovery of the "identity theft" by the "identity recovery insured."

Item g. (Mental Health Counseling) of the definition of "identity recovery expenses" is subject to a sublimit of \$1,000. This sublimit is part of, and not in addition to, the Expense Reimbursement coverage limit. Coverage is limited to counseling that takes place within twelve (12) months after the first discovery of the "identity theft" by the "identity recovery insured."

D. Deductible

Case Management Service is not subject to a deductible.

Expense Reimbursement coverage is subject to a deductible of \$250. Any one "identity recovery insured" shall be responsible for only one deductible under this Identity Recovery Coverage during any one "policy period".

E. Conditions

1. Duties In the Event OF A Loss

In the event of a possible or known "identity theft" the "company" or the "identity recovery insured" shall promptly report the loss by phone call to the "insurer" and ask for advice on how to respond to the possible "identity theft" or instructions on how to submit a service request for Case Management Service and/or a claim form for Expense Reimbursement Coverage.

In some cases, the "insurer" may provide Case Management services at its expense to an "identity recovery insured" prior to a determination that a covered "identity theft" has occurred. Providing such services is not an admission of liability under the policy. The "insurer" reserves the right to deny further coverage or service if, after investigation, the "insurer" determines that a covered "identity theft" has not occurred.

In the event the "identity recovery insured" requires the services of an attorney, prior to incurring any legal expenses the "company" shall notify the "insurer" and obtain the "insurer's" approval.

As respects Expense Reimbursement Coverage, the "identity recovery insured" must send to the "insurer", within sixty (60) days of request, receipts, bills or other records that support his or her claim for "identity recovery expenses."

2. Services

The following conditions apply as respects any services provided by the “insurer” or the “insurer’s” designees to any “identity recovery insured” under this endorsement:

- a. The ability to provide helpful services in the event of an “identity theft” depends on the cooperation, permission and assistance of the “identity recovery insured.”
- b. All services may not be available or applicable to all individuals. For example, “identity recovery insureds” who are minors or foreign nationals may not have credit records that can be provided or monitored. Service in Canada will be different from service in the United States and Puerto Rico in accordance with local conditions.
- c. The “insurer” does not warrant or guarantee the services will end or eliminate all problems associated with an “identity theft” or prevent future “identity thefts.”

3. Other Insurance

If any loss covered by this insurance is insured by any other valid insurance, then this insurance shall apply only in excess of the limit of insurance under such other insurance whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance is written specifically excess of this coverage by reference to this policy’s policy number.

F. Definitions

1. “Identity recovery case manager” means one or more individuals assigned by the “insurer” to assist an “identity recovery insured” with communications the “insurer” deems necessary for re-establishing the integrity of the personal identity of the “identity recovery insured.” This includes, with the permission and cooperation of the “identity recovery insured,” written and telephone communications with law enforcement authorities, governmental agencies, credit agencies and individual creditors and businesses.
2. “Identity recovery expenses” means the following when they are reasonable and necessary expenses that are incurred as a direct result of an “identity theft”:
 - a. Costs for re-filing applications for loans, grants or other credit instruments that are rejected solely as a result of an “identity theft.”
 - b. Costs for notarizing affidavits or other similar documents, long distance telephone calls and postage solely as a result of the “company” efforts to report an “identity theft” or amend or rectify records as to the “company’s” true name or identity as a result of an “identity theft.”
 - c. Costs for up to twelve (12) credit reports from established credit bureaus dated within twelve (12) months after the “company’s” or “identity recovery insured’s” knowledge or discovery of an “identity theft.”
 - d. Fees and expenses for an attorney approved by the “insurer” for:
 - (1) Defending any civil suit brought against an “identity recovery insured” by a creditor or collection agency or entity acting on behalf of a creditor for non-payment of goods or services or default on a loan as a result of an “identity theft”; and
 - (2) Removing any civil judgment wrongfully entered against an “identity recovery insured” as a result of the “identity theft.”
 - e. Actual lost wages of the “identity recovery insured” for time reasonably and necessarily taken away from work and away from the work premises. Time away from work includes partial or whole work days. Actual lost wages may include payment for vacation days, discretionary days, floating holidays and paid personal days. Actual lost wages does not include sick days or any loss arising from time taken away from self employment. Necessary time off does not include time off to do tasks that could reasonably have been done during non-working hours.

- f. Actual costs for supervision of children or elderly or infirm relatives or dependants of the “identity recovery insured” during time reasonably and necessarily taken away from such supervision. Such care must be provided by a professional care provider who is not a relative of the “identity recovery insured.”
 - g. Actual costs for counseling from a licensed mental health professional. Such care must be provided by a professional care provider who is not a relative of the “identity recovery insured.”
3. “Identity recovery insured” means the following:
- a. When the entity insured under this policy is a sole proprietorship, the sole proprietor of the insured entity.
 - b. When the entity insured under this policy is a partnership, the current partners.
 - c. When the entity insured under this policy is a corporation or other organization, the “identity recovery insureds” are all individuals having an ownership position and active participation in the business; and
 - d. All directors, officers, trustees, members of the board of governors, executives, executive directors of the insured entity.

An “identity recovery insured” must always be an individual person. The entity insured under this policy is not an “identity recovery insured.”

4. “Identity theft” means the fraudulent use of the social security number or other method of identifying an “identity recovery insured.” This includes fraudulently using the personal identity of an “identity recovery insured” to establish credit accounts, secure loans, enter into contracts or commit crimes.

“Identity theft” does not include the fraudulent use of a business name, d/b/a or any other method of identifying a business activity.

SECTION V — SECURITY BREACH EXPENSES INSURING AGREEMENT

- A. The “insurer” will pay “security breach expenses” resulting directly from a “security breach” that:
- 1. is caused by the “company’s” failure to prevent unauthorized access to, or unauthorized use of “personal information” in its care, custody or control;
 - 2. happens after the Prior or Pending Litigation for Directors and Officers Liability Coverage in the Declarations and before the end of the “coverage period”;
 - 3. was first known to the “company” during the “coverage period”; and
 - 4. is first reported to the “insurer” during the “coverage period” or within ninety (90) days after the end of the “coverage period”.

Each “security breach” in a series of “related security breaches” will be deemed to have happened on the date the first “security breach” in that series happens.

A “security breach” will be deemed to have been first known by the “company” on the earlier of the following dates:

- 1. The date any insured first learns of the “security breach”.
- 2. The date any authorized government entity first informs any insured it has determined that a “security breach” has, or may have, occurred.

A “security breach” will be deemed to have been first reported to the “insurer” on the date the “insurer” first receives written notice of it from any insured or any authorized government entity.

B. Exclusions

This insurance does not cover “security breach expenses”:

1. based upon, attributable to or arising out of:
 - a. war, including undeclared or civil war or civil unrest;
 - b. warlike action by military force, including action hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
 - c. insurrection, rebellion, revolution, usurped or defending against any of these.
2. based upon, attributable to or arising out of the dispersal or application of pathogenic or poisonous biological or chemical materials, nuclear reaction, nuclear radiation or radioactive contamination, or any related act or incident, however caused.
3. based upon, attributable to or arising out of loss caused by the “company” or at the “company’s” direction with the knowledge that the act would violate the rights of another.
4. based upon, attributable to or arising out of the “company’s” assumption of liability in a contract or agreement, whether oral or written. However, this exclusion does not apply to liability for damages that an insured would have in the absence of such contract or agreement.
5. based upon, attributable to or arising out of any actual or alleged patent or trade secret violation, including any actual or alleged violation of the Patent Act, the Economic Espionage Act of 1996 or the Uniform Trade Secrets Act and their amendments.
6. based upon, attributable to or arising out of the “company’s” employment practices including, but not limited to, termination of employment, demotion, reassignment, discipline, harassment, coercion or refusal to employ regardless of whether the “company” is liable as an employer or in any other capacity.
7. based upon, attributable to or arising out of any criminal, dishonest, malicious or fraudulent act or any willful violation of any statute or regulation by any insured, acting alone or in collusion with others.
8. based upon, attributable to or arising out of any action by a governmental authority, including the seizure or destruction of property by order of governmental authority. However, this exclusion shall not apply to actions brought by governmental authority acting solely in its capacity as a customer of the “company”.
9. based upon, attributable to or arising out of any action by a governmental or quasi-governmental authority or agency including, but not limited to, regulatory actions brought against the “company” on behalf of the Federal Trade Commission, Federal Communications Commission or other regulatory agency. However, this exclusion shall not apply to actions brought by governmental authority acting solely in its capacity as a customer of the “company”.

C. Limits of Insurance

The Annual Aggregate Limit in the Schedule is the most the “insurer” will pay for all “security breach expenses” during the “policy period” regardless of the number of claims.

D. Deductible

The “insurer” will pay only the amount of loss which is in excess of a \$1,000 deductible.

E. Conditions

1. Bankruptcy

Bankruptcy of the “company” or the “company’s” estate if the “company” is a sole proprietor will not relieve the “insurer” of its obligations under this Insuring Agreement.

2. Representations

By accepting this Insuring Agreement, the “company” agrees:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations the “company” made to us; and
- c. The “insurer” has issued this coverage in reliance upon the “company’s” representations.

3. Transfer Of Rights Of Recovery Against Others To The “Insurer”

If the “company” has rights to recover all or part of any payment the “insurer” has made for this coverage, those rights are transferred to the “insurer”. The “company” must do nothing after loss to impair them. At the “insurer’s” request, the “company” will bring “suit” or transfer those rights to the “insurer” and help the “insurer” enforce them.

4. Other Insurance

If any loss covered by this insurance is insured by any other valid insurance, then this insurance shall apply only in excess of the limit of insurance under such other insurance whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance is written specifically excess of this coverage by reference to this policy’s policy number.

5. Duties In The Event Of Claim Or Loss

In the event of loss or situation that may result in a loss covered under this insuring agreement, the “company” must see to it that the “insurer” is notified in writing as soon as practicable, but in no event after the “policy period” or ninety (90) days after the end of the “coverage period”.

The “company” will not, except at the “company’s” own cost, voluntarily make a payment, assume any obligation or incur any expense without the “insurer’s” consent.

F. Definitions

1. “Coverage period” means the period of time from the coverage effective date to the coverage expiration date shown in the Declarations, or its earlier cancellation or termination date.
2. “Crisis communication expense” means:
 - a. Reasonable and necessary expenses for the services of a public relations or other crisis communications firm to guide, advise or assist the “company” in internal and external crisis communications for up to sixty (60) days following the “security breach”; and
 - b. Reasonable and necessary expenses incurred by the “company”, beyond its normal communications expenses, solely to guide, advise or assist the “company” in internal and external crisis communications, directly attributable to a “security breach” for up to sixty (60) days after the “security breach”.
3. “Personal information” means data in electronic form collected by the “company” in the normal conduct of its business containing a person’s name and information about the person that is required to be protected by law from public disclosure.
4. “Related security breaches” means two or more “security breaches” which are the result of the same cause, event or circumstance.
5. “Security breach” means unauthorized access to, or unauthorized acquisition of, “personal information” owned, licensed, maintained or stored by the “company”.

6. "Security breach expenses" means:
- a. Costs to notify all parties affected by a "security breach";
 - b. Additional remuneration paid to the "company's" "employees" to compensate them for time spent handling inquiries from parties affected by a "security breach";
 - c. The equivalent monetary value of extra vacation time or time off from work taken by "employees" to compensate them for time spent handling inquiries from parties affected by a "security breach";
 - d. Fees and costs of a company hired by the "company" for the purpose of operating a call center to handle inquiries from parties affected by a "security breach";
 - e. Fees and costs for post event credit monitoring provided to persons whose "personal information" was accessed or acquired as a result of a "security breach" for up to one year from the date of the "security breach";
 - f. "Crisis communication expense"; and
 - g. Any other reasonable expenses incurred by the "company" with the "insurer's" written consent.

"Security breach expenses" do not include any costs or expenses associated with upgrading, maintaining, improving, repairing or remediating any computer system as a result of a "security breach".

7. "Electronic information system" means any data processing and communications system, network, including computer equipment and software that the "company" owns, operates, rents, leases or licenses from others by which "electronic data" is collected, transmitted, processed, stored or retrieved.