

TECHNOLOGY ERRORS AND OMISSIONS LIABILITY COVERAGE FORM

TECHNOLOGY E&O LIABILITY
TY 00 01 02 11

THIS INSURANCE PROVIDES CLAIMS MADE AND REPORTED COVERAGE. DEFENSE COSTS APPLY AGAINST THE LIMITS OF INSURANCE AND ARE SUBJECT TO THE DEDUCTIBLE.

PLEASE READ THIS COVERAGE CAREFULLY TO DETERMINE RIGHTS, DUTIES, COVERAGE, EXCLUSIONS AND COVERAGE RESTRICTIONS.

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations for this policy. The words "we," "us" and "our" refer to the Company providing this insurance.

The word "insured" means you and any person or organization qualifying as such under **SECTION II — WHO IS AN INSURED**.

Other words and phrases that appear in quotation marks have special meaning. Refer to **SECTION VIII — DEFINITIONS**.

SECTION I — COVERAGE

A. Errors and Omissions Liability — Insuring Agreement

1. We will pay those sums that the insured becomes legally obligated to pay as "damages" caused by a "wrongful act" to which this coverage applies. We will have the right and duty to defend, using counsel of our choice, any "suit" in connection with such "claim". We may, at our discretion, investigate and/or settle any "claim" or "suit." Our right and duty to defend "suits" ends when we have exhausted the Limits of Insurance available, as provided in **SECTION III — LIMITS OF INSURANCE**. This insurance does not apply to "wrongful act(s)" which occurred before the Retroactive Date, if any, shown in the Declarations or which occur after the "policy period". If no Retroactive Date is shown in the Declarations, this policy applies to "wrongful act(s)" occurring prior to the expiration of the policy, subject to all other terms and conditions of this policy.
2. This insurance applies to "damages" only if the "claim" or "suit" arises out of "your product" provided to others or "your work" provided or performed for others.
3. This coverage only applies if:
 - a. The "damages" are caused by a "wrongful act(s)" that takes place in the "coverage territory";

- b. The "claim" or "suit" is first made against any insured and reported to us in writing, in accordance with Paragraph 4. below, during the "policy period" or any Extended Reporting Period we provide under **SECTION VII — EXTENDED REPORTING PERIODS**.

4. A "claim" will be deemed to have been made at the earlier of the following times:

- a. When notice of such "claim" is received and recorded by you or by us, whichever comes first; or
 - b. When the insured informs us of a circumstance or incident occurring during the "policy period", but before a "claim" is made, in accordance with the requirements of **SECTION VI, Conditions, D. Awareness Provision**.

B. Defense Provision

1. Pursuant to **SECTION I, Paragraph A.** above, we shall:

Appoint an attorney and defend, at our expense, any "suit" against an insured alleging a "wrongful act(s)" to which this insurance applies, even if such "suit" is groundless, false or fraudulent. In addition, we will pay "defense costs" on behalf of an insured for any "suit" against an insured alleging a "wrongful act(s)" to which this insurance applies, even if such "suit" is groundless, false or fraudulent.

2. Pursuant to **Section I**, Paragraph **A.** above, we may, at our discretion:

Appoint an attorney and defend, at our expense, any “claim” against an insured alleging a “wrongful act(s)” to which this insurance applies, even if such “claim” is groundless, false or fraudulent. In addition, we may pay “defense costs” on behalf of an insured for any “claim” against an insured alleging a “wrongful act(s)” to which this insurance applies, even if such “claim” is groundless, false or fraudulent.

We have the right, but not the duty to appeal any verdict or judgment entered against an insured. Each payment we make for “claims”, “suits”, or “defense costs” reduces the Amount of Insurance available, as provided in **SECTION III — LIMITS OF INSURANCE**. Our right and duty to defend such “claims” ends when we have exhausted the Limits of Insurance available, as provided in **SECTION III — LIMITS OF INSURANCE**. This applies to both “claims” pending at that time and any that may be made after the limits have been exhausted.

C. Exclusions

This insurance does not apply to any “damages”, “claims” or “suits”:

1. Directly or indirectly arising out of any dishonest, fraudulent, criminal or malicious act or omission by any insured.
2. For willful violation of any federal, state, or local statute, ordinance, rule or regulation committed by or with the knowledge and consent of any insured.
3. Directly or indirectly arising out of “electronic media wrongful act(s)”.
4. Directly or indirectly arising out of “electronic information security wrongful act(s)”.
5. Directly or indirectly arising out of the failure, refusal, or inability of any insured to enter into, renew, award by bid, or perform any contract or agreement.
6. For liability assumed in any contract or agreement. This exclusion does not apply to liability for “damages” that an insured would have in the absence of the contract or agreement.

This insurance does not provide coverage for any “damages” or “defense costs” arising out of any “wrongful act(s)” committed in whole or in part before such applicable contract or agreement was executed.

7. Seeking relief or redress in any form other than “damages”.
8. Directly or indirectly arising from “bodily injury”, “personal and advertising injury”, or “property damage”.
9. Directly or indirectly arising out of the any:
 - a. Cost guarantee or probable cost estimate being exceeded; or
 - b. Cost overrun.
10. Directly or indirectly arising out of:

A “wrongful act(s)” to:

 - a. A person arising out of any:
 - (1) Refusal to employ that person;
 - (2) Termination of that person’s employment; or
 - (3) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, re-assignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
 - b. The spouse, child, parent, brother or sister of that person as a consequence of “bodily injury” to that person at whom any of the employment-related practices described in Paragraphs (1), (2), or (3) above is directed.

This exclusion applies:

- a. Whether the injury causing event described in Paragraphs (1), (2) or (3) above occurs before employment, during employment or after employment of that person;
 - b. Whether an insured may be liable as an employer or in any other capacity; and
 - c. To any obligation to share “damages” with or repay someone else who must pay “damages” because of the injury.
11. For publication of false or intentionally misleading advertising or promotional materials by any insured, at any insured’s direction or with any insured’s knowledge.
 12. For any insured gaining any profit, advantage or remuneration to which that insured is not entitled.
 13. For which any insured is entitled to indemnity or payment by reason of having given notice of any circumstances which might give rise to a “claim” or “damages” under any policy or policies the term of which has expired prior to the inception date of this policy.

14. For the repair, replacement, upgrade, completion, supplementing, withdrawal, recall, inspection, adjustment, improvement, removal, disposal or loss of use of:
 - a. "Your product";
 - b. "Your work"; or
 - c. "Impaired property".
15. For administration of any employee benefit plan or self-insurance fund.
16. For the failure or omission by any insured to purchase or maintain adequate insurance of any kind, including failure to effect or maintain adequate policy limits.
17. For any civil fine, penalty or expense incurred by any insured arising from any complaint or enforcement action brought by any federal, state or local governmental regulatory agency or professional or trade licensing organization against the Named Insured or for which the Named Insured is liable.
18. Directly or indirectly arising out of debt financing, including but not limited to bonds, notes, debentures and guarantees of debt.
19. Directly or indirectly arising out of any of the following:
 - a. The actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.
 - b. "Damages" arising directly or indirectly out of any:
 - (1) Request, demand order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize or in any way respond to or assess the effects of "pollutants";
 - (2) "Claim" by or on behalf of a governmental authority or others because of testing for monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of "pollutants"; or
 - (3) Insured's "wrongful act(s)" in complying with, enforcing or enacting any rule, ordinance, law or regulation having to do with the prevention, mitigation, monitoring, clean up, removal, containment, treatment, detoxification, neutralization, or assessment of the effects of "pollutants".
- c. "Damages" arising directly or indirectly out of, resulting from, caused or contributed to by electromagnetic radiation, provided that such "damages" result from or are contributed to by the hazardous properties of electromagnetic radiation. This includes any costs for actual or threatened abatement, mitigation, or removal.
20. For liability directly or indirectly arising out of:

Any workers compensation, disability benefits or unemployment compensation law, Employees' Retirement Income Security Act of 1974, Public Law 93-406, The Fair Labor Standards Act, the National Labor Relations Act of 1938, the Worker Adjustment and Retraining Notification Act, the Consolidated Omnibus Budget Reconciliation Act of 1985, or the Occupational Safety and Health Act or any similar state or other governmental law provided. However, this exclusion shall not apply to any "claim" or "damages" based upon, arising from, or in consequence of any actual or alleged retaliatory treatment of the claimant by the insured on account of the claimant's exercise of rights pursuant to any such law.
21. Directly or indirectly arising out of the failure of "your product" or "your work" to prevent unauthorized use or access to, or use of, any computer system, communications network or "electronic data".
22. Directly or indirectly arising out of "over-redemption" of coupons, awards, or prizes from "advertisements", promotions, games, sweepstakes, contests, and games of chance.
23. Directly or indirectly arising out of any actual or alleged or threatened:
 - a. Delay in delivery of; or
 - b. Failure to deliver, "your product" or "your work" or any part or phase of "your product" or "your work", unless this is the result of your "wrongful act(s)".
24. Directly or indirectly arising out of:
 - a. Disputes involving any insured's fees, compensation, remuneration, consideration or charges, including overcharges;
 - b. Collecting any insured's fees from third parties;

- c. Any credit or voluntary payment made or given for any reason;
 - d. The return of fees for compensation paid to you; or
 - e. An insured's cost of correcting or re-performing or completing "your work" or "your product".
- 25.** Directly or indirectly arising out of any actual or alleged infringement or violation of any of the following rights or laws:
- a. Copyright;
 - b. Patent;
 - c. Trade dress;
 - d. Trade name;
 - e. Trade secret;
 - f. Trademark; or
 - g. Other intellectual property rights or laws.
- 26.** Directly or indirectly arising out of any actual or alleged violation of any unfair or deceptive trade practice, unfair competition, or other consumer protection law committed by or on behalf of an insured.
- 27.** Brought by or on behalf of any current or former insured against any current or former insured. This exclusion does not apply to any "damages", "claims" or "suits" brought by or on behalf of any person or organization that has been added as an additional insured before the date of the "wrongful act" by an endorsement under this policy.
- 28.** Directly or indirectly arising out of a violation of:
- a. The Securities Act of 1933 as amended;
 - b. The Securities Exchange Act of 1934 as amended;
 - c. Any state blue sky or securities law;
 - d. Any similar state or federal law; or
 - e. Any order, ruling or regulation issued pursuant to the above laws.
- 29.** Directly or indirectly arising out of the rendering or failure to render any of the following professional services, advice or instruction whether or not a "claim" or "suit" is brought by any client or any other person or organization or whether or not such service, advice or instruction is ordinary to any insured's profession:
- a. Accounting services;
 - b. Actuarial service, or actuarial assumption;

- c. Architectural, engineering, inspection, appraisal, survey or audit services;
- d. Healthcare, medical, surgical, dental, x-ray or nursing services, advice or instruction;
- e. Stockbroker or other financial services;
- f. Lawyer or other legal services; or
- g. Insurance agent/broker services.

SECTION II — WHO IS AN INSURED

Each of the following is an insured:

- A.** If you are designated in the Declarations for this policy as:
- 1. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
 - 2. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
 - 3. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
 - 4. An organization other than a partnership, joint venture or limited liability company, you are an insured.
- Coverage does not apply to "damages" arising out of a "wrongful act(s)" that occurred before you acquired or formed the entity shown as a Named Insured in the Declarations.
- B.** Any person who is, was, or hereafter becomes a partner, "employee", "executive officer" or director is an insured, but only with respect to the conduct of your business. Your stockholders are also insureds, but only with respect to their liability as stockholders and only with respect to the conduct of your business.
- C.** Any person, including volunteers, temporary employees or leased personnel, providing services for you at your request and operating under your direction and control for conduct while acting within the scope of their duties, for or on behalf of the Named Insured.
- D.** Any "subsidiary" as long as such "subsidiary" is not an insured under similar insurance.
- E.** The estates, heirs, legal representatives or assigns of deceased persons who were insureds pursuant to **B.** through **D.** above.

- F. The legal representatives or assigns of the insureds pursuant to **B.** through **D.** above in the event of their incompetence, insolvency or bankruptcy.
- G. Any person who is an agent or independent contractor but only while acting within the scope of that person's "contract worker agreement" with the named insured.
- H. Any person or organization with whom you have agreed in a written contract or written agreement to add as an additional insured on this policy. Such person or organization is an additional insured only with respect to liability for loss for which coverage under this policy applies that:
 - 1. Is caused by a "wrongful act" committed after you have signed and executed that contract or agreement; and
 - 2. Is caused, in whole or in part, by acts or omissions by you, or any person or organization acting on your behalf, under that contract or agreement.

The limits of insurance provided to such person or organization will be the limits which you agreed to provide in the written contract or agreement, or the limits shown in the declarations, whichever are less.

This coverage shall be excess with respect to the person or organization included as an additional insured by its provisions; any other insurance that person or organization has shall be primary with respect to this insurance, unless this coverage is required to be primary and/or not contributory in the contract, agreement or permit referred to above.

The provisions of this paragraph do not apply unless the written contract or written agreement has been executed (executed means signed by the named insured) or written permit issued prior to the "wrongful act".

- I. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However, coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the "policy period", whichever is earlier.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

SECTION III — LIMITS OF INSURANCE

- A. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of Insureds, "claims" or "suits" or persons or organizations making "claims" or bringing "suits" for the sum of:
 - 1. "Damages" for all "claims" arising out of any actual or alleged "wrongful act(s)" covered by this insurance; and
 - 2. "Defense costs" for all "claims" or "suits" seeking "damages" to which this insurance applies payable under Paragraph **A.1.** above.
- B. Subject to Paragraph **A.** above, the Amount of Insurance stated as the per "Claim" Limit of Insurance is the most we will pay in excess of the Deductible as further described in **SECTION V — DEDUCTIBLE** for the sum of:
 - 1. "Damages" for injury arising from "wrongful act(s)" to which this insurance applies arising out of one "claim" whether such "claim" is brought by one or more claimants; and
 - 2. "Defense costs" associated with that specific "claim" in Item **B.1.** above.

A "claim(s)" based on and arising out of the same or "interrelated" "wrongful act" shall be considered to be a single "claim".
- C. In addition to the payments for "damages" and "defense costs" in Paragraphs **A.** and **B.** above, we will also pay all interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the amount available for the judgment under the provisions of Paragraphs **A.** and **B.** above.
- D. The Annual Aggregate Limit of Insurance is the most we will pay for all "claims" under this policy.

The limits of this policy apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the "policy period" shown in the Declarations, unless the "policy period" is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION IV — SUPPLEMENTARY PAYMENTS

We will pay, subject to the deductible, with respect to any “claim” or “suit” we defend:

- A. All expenses, other than “defense costs”, we incur.
- B. The cost of bonds to release attachments and appeal bonds required in any “suit” we defend, but only for bond amounts within the applicable Limit of Insurance. We are not obligated to furnish these bonds.
- C. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of a “claim” or “suit,” including actual loss of earnings up to \$1,000 a day because of time off from work. Such expenses do not include salaries of the named insured.
- D. All costs taxed against an insured in the “suit” except for any award of attorney’s fees.
- E. All interest on that part of the judgment we pay that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable Limit of Insurance. However, post judgment interest is not subject to the deductible.

These payments will not reduce the Limits of Insurance.

Our duty to make these Supplementary Payments ends when the applicable limit of insurance has been exhausted in the payment of judgments, settlements or “defense costs”.

SECTION V — DEDUCTIBLE

- A. Our obligation under **SECTION I** of this policy to pay “damages” on behalf of the insured applies only to the amount of “damages” in excess of any deductible amount stated in the Declarations.
- B. The deductible amount stated in the Declarations, if any, applies to all “damages” sustained by any person or organization as the result of each and every “claim”.
- C. The deductible amount stated in the Declarations includes loss payments, adjustments, investigative, legal fees and costs, whether or not loss payment is involved.
- D. The terms of this insurance, including those with respect to **(1)** our right and duty to defend any “suits” seeking “damages”, and **(2)** your duties in the event of potential or actual “claim” or “suit” apply irrespective of the application of the deductible amount.

- E. We may pay any part or all of the deductible amount to effect settlement of any “claim” or “suit” and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us. However, the payment of the deductible will not reduce the limits of insurance.

SECTION VI — CONDITIONS

A. Arbitration

We are entitled to exercise all of an insured’s rights in the choice of arbitrators and in the conduct of any arbitration proceeding, except when the proceeding is between us and the insured.

B. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured’s successor will not relieve us of our obligations under this policy.

C. Duties In The Event Of A “Claim”

- 1. You and any other insured must notify us as soon as practicable, but in no event after the “policy period” or any Extended Reporting Period we provide under **SECTION VII — EXTENDED REPORTING PERIOD**, of any:

- a. “Wrongful act”;
- b. Circumstance that may result in a “wrongful act”; or
- c. “Claim” against you or any insured, which may be subject to the insurance afforded herewith.

Such notice shall include particulars sufficient to identify the insured and all reasonably obtainable information with respect to the time, place and circumstances of such “wrongful act”; and the name and address of potential claimant(s) and/or witness(es).

- 2. To the extent “suit” papers are served on an insured, such “suit” papers must be delivered to us immediately.
- 3. You and any other involved insured must:
 - a. Authorize us to obtain records and other information;
 - b. Cooperate with us in our investigation, settlement and/or defense;
 - c. Assist us, upon our request, in the enforcement of any right against any person or organization, which may be liable to the insured because of injury or damage to which this insurance may also apply.

4. No insureds will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense without our prior, written consent.
5. All insureds agree to provide us with all information, assistance and cooperation which we reasonably request and agree that in the event of a "claim" all insureds will do nothing that shall prejudice our position or our potential or actual rights of recovery.

D. Awareness Provision

If an insured becomes aware during this "policy period" of any facts or circumstances which may result in a "claim" being made against an insured by reason of a "wrongful act", and if any insured sends to us during the "policy period" written notice of such facts and circumstances, including the details of the "wrongful act" as well as the name of the person and/or entity who may make such claim, as well as when any such misconduct occurred, such potential "claim" will be treated as a "claim" first made against an insured during this "policy period", even if the "claim" is actually made against the insured after the expiration of this "policy period".

E. Legal Action Against Us

No person or organization has a right under this policy:

1. To join us as a party or otherwise bring us into a "suit" asking for "damages" from an insured; or
2. To sue us unless all of this policy's terms and conditions have been fully complied with.

F. Other Insurance

1. The insurance afforded by this policy is primary insurance, except when stated to apply in excess of or contingent upon the absence of other insurance. When this insurance is primary and the insured has other insurance which is stated to be applicable to the loss on an excess or contingent basis, the amount of our liability under this policy shall not be reduced by the existence of such other insurance.

This insurance is excess over any other primary insurance covering liability for "damages" to which this insurance applies, for which any insured has been added as an additional insured, except as may be modified by **SECTION II, Paragraph H.**

When this insurance is excess, we will have no duty to defend any "claim" or "suit" that any other insurer has a duty to defend. If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- a. The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
 - b. The total of all deductible and self-insured amounts under all such other insurance.
2. When both this insurance and other insurance apply to the loss on the same basis, whether primary, excess or contingent, we shall not be liable under this policy for a greater proportion of the loss than that stated in the applicable Method of Sharing provision below:

Method of Sharing

- a. If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this method each insurer contributes equal amounts until it has paid its applicable Limit of Insurance or none of the loss remains, whichever comes first.
- b. If any of the other insurance does not permit contribution by equal shares, we will contribute by equal limits. Under this method, each insurer's share is based on the ratio of its applicable Limit of Insurance to the total applicable Limits of Insurance of all insurers.

G. Premium Audit

We will compute all premiums for this insurance in accordance with our rules and rates. We may audit your books and records as they relate to this insurance at any time during the term of this policy and up to three years afterwards.

H. Representations

By accepting this policy, you agree that:

1. The Application for insurance completed in solicitation of this policy is made a part of this policy as though set forth, and incorporated, in full herein;
2. The statements in the Application for insurance are current, accurate and complete;

3. Those statements are representations. All such statements and representations shall be deemed to be material to this risk and are the basis of this policy and are to be considered as incorporated into this policy; and
4. We have issued this policy in reliance upon your representations and those of any other insured.

I. Separation of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned to the first Named Insured, our obligations apply severally to each insured against whom a "claim" is made.

J. Transfer of Rights of Recovery Against Others To Us

If an insured has rights to recover all or part of any payment we have made under this policy, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

We will waive any right of recovery we may have against a person or organization because of payments we make for "damage" arising out of "your product" or "your work" done under a contract with that person or organization, if:

1. The waiver of such rights is required in a written contract or written agreement with that person or organization; or
2. Such person or organization is an additional insured on this policy; or
3. You have assumed the liability of that person or organization in that same contract and it is an "insured contract".

The above waiver only applies to that person or organization identified above, and only if the "damage" occurs subsequent to the execution of the written contract or written agreement.

K. When We Do Not Renew

If we decide not to renew this policy, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

L. Sole Agent

The first Named Insured is authorized to act on behalf of all insureds as respects the giving or receiving of notice of cancellation or nonrenewal, receiving premium refunds, requesting any Supplemental Extended Reporting Period and agreeing to any changes in this Coverage.

M. Changes

This Coverage contains all agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our prior, written consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this Coverage.

N. Non-Accumulation of Limits

If you have other insurance provided by us or one of our affiliates that will respond to a "claim" or "suit" also covered under this coverage, the maximum limit of insurance under all collectible insurance shall not exceed the highest applicable limit under any one of the other coverage part(s), form(s) or policy(ies).

O. Liberalization Clause

If we revise this coverage form or any of the endorsements on this policy, and such revisions are approved by the Insurance Regulatory Authority in the states listed in the Declarations, to provide more coverage without an associated additional premium charge, subject to our filed company rules, your policy will automatically provide the additional coverage as of the day the revision is effective in your state.

P. Your Right to "Claim" Information

We will provide information regarding your "claims" only if we receive a written request from the first named insured.

"Claim" amounts reserved are based upon our judgment. They are subject to changes and should not be regarded as ultimate settlement amounts. You may not disclose this information to any claimant or any claimant's representative without our consent.

Q. Currency

All premiums, limits of insurance, deductibles and any other monetary amounts under this policy are expressed and payable in the currency of the United States of America. If judgment is rendered, settlement is agreed to or another component of loss under this policy is expressed in any currency other than United States of America dollars, payment under this policy shall be made in United States dollars at the rate of exchange published in The Wall Street Journal on the date the final judgment is entered, the settlement amount is agreed upon or the other component of loss is due, respectively.

R. When We Are Prohibited From Paying Damages

If it is against the law in a country or jurisdiction for us to pay “damages” for loss on behalf of an insured under this policy, the insured may pay such “damages” with our consent. If the insured gives us proof of the payments, we will repay the insured for such “damages.” But we will not repay the insured for “damages” exceeding the applicable limit of insurance.

S. When We Are Prohibited From Paying Supplementary Payments

If it is against the law in a country or jurisdiction for us to pay “damages” for loss on behalf of an insured under this policy, the insured may pay such “damages” with our consent. If the insured gives us proof of the payments, we will repay the insured for such “damages.” But we will not repay the insured for “damages” exceeding the applicable limit of insurance.

T. Headings

The titles and descriptions at the beginning of Sections, Paragraphs and Subparagraphs of this policy are solely for convenience in navigating through this contract and do not grant, extend or restrict coverage.

U. Capital Letters

Words and terms can be capitalized or not capitalized throughout this policy with no change in meaning.

V. Singular / Plural

Defined terms used in singular or plural form carry the same meaning except for their singular or plural usage.

SECTION VII — EXTENDED REPORTING PERIODS

A. We will provide an Extended Reporting Period, as described below, if:

1. This policy is cancelled or not renewed; or
2. We renew or replace this policy with insurance that:
 - a. Has a Retroactive Date later than the date shown in the Declarations of this policy; or
 - b. Does not apply on a claims-made basis.

B. A Basic Extended Reporting Period is automatically provided without additional charge. This period starts with the end of the “policy period” and lasts for 90 days with respect to “claims” arising from “wrongful act(s)” not previously reported to us.

The Basic Extended Reporting Period does not apply to “claims” that are covered under any subsequent insurance you purchase, or that would be covered but for exhaustion of the amount of insurance applicable to such “claims”.

C. A Supplemental Extended Reporting Period option of up to five years is available, but only by an endorsement and for an extra charge. This supplemental period starts ninety days after the end of the “policy period”.

You must give us a written request for the endorsement within 90 days after the end of the “policy period”. The Supplemental Extended Reporting Period will not go into effect unless you pay the additional premium promptly when due.

The additional premium for the Supplemental Extended Reporting Period is up to 200% of the annual premium for this policy.

This endorsement shall set forth the terms, not inconsistent with this Section, applicable to the Supplemental Extended Reporting Period, including a provision to the effect that the insurance afforded for “claims” first received during such period is excess over any other valid and collectible insurance available under policies in force after the Supplemental Extended Reporting Period starts.

D. Extended Reporting Periods do not extend the “policy period” or change the scope of coverage provided. They apply only to “claims” as a result of “wrongful act(s)” committed after the Retroactive Date, if any, shown in the Declarations and before the end of the “policy period”.

“Claims” for such injury or damage which are first received and recorded during the Basic Extended Reporting Period (or during the Supplemental Extended Reporting Period, if it is in effect) will be deemed to have been made on the last day of the “policy period”.

Once in effect, Extended Reporting Periods may not be cancelled.

E. Extended Reporting Periods do not reinstate or increase the Limits of Insurance applicable to any “claim” to which this policy applies.

SECTION VIII — DEFINITIONS

A. “Advertisement” means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:

1. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
2. Regarding web-sites, only that part of a web-site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.

- B.** "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
- C.** "Claim" means an oral or written demand for "damages" in connection with a "wrongful act".
- D.** "Computer virus" means any kind of malicious code designed to damage or destroy any part of an "electronic information system" (including "electronic data") or disrupt its normal functioning.
- E.** "Contract worker agreement" means a signed contract between the named insured and a person acting as an agent or independent contractor providing the following:
1. Specific technology or telecommunications product or work on behalf of and under the direct and continuing supervision of the named insured;
 2. Indemnification to the agent or independent contractor for the contracted technology or telecommunications product or work; and
 3. Execution of the agreement before any "wrongful act" that may give rise to a "claim."
- F.** "Coverage Territory" means anywhere in the world with the exception of any country or jurisdiction which is subject to trade or other economic sanction or embargo by the United States of America.
- G.** "Damages" means:
1. Monetary damages or "pre-judgment interest" awarded against an insured on that part of the judgment we pay; and
 2. Punitive or exemplary damages where permitted by law; and
 3. A monetary settlement with an accompanying release of liability signed at a minimum by the claimant or the claimant's legal representative; and
 4. Statutory attorney fees.
- "Damages" does not include:
1. Fees, compensation, remuneration, consideration or charges for "your product" or "your work";
 2. Civil, criminal, administrative or other fines or penalties;
 3. Equitable relief, injunctive relief, declarative relief or any other relief or recovery other than money; or
 4. Judgments or awards because of acts deemed uninsurable by law;
- H.** "Defense Costs" means:
- Reasonable and necessary fees, costs and expenses incurred by us, or incurred by the insured with our prior, written consent (including premiums for any appeal bond, attachment bond, or similar bond but without any obligation to apply for or furnish any such bond) resulting from the investigation, adjustment, defense, and appeal of a "suit" against any Insured; provided, however, "defense costs" do not include salaries of employees or officers.
- I.** "Denial of service attack" means an intentional attack on a web site or a computer network that prevents or slows down access to the web site or computer network.
- J.** "Electronic communications" means any information transmitted electronically. This includes, but is not limited to, email and email attachments, web pages, faxes, broadcasts, files and online information.
- K.** "Electronic data" means digital information, facts, images or sounds stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software) on electronic storage devices including, but not limited to, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment. "Electronic data" is not tangible property.
- "Electronic data" does not include your "electronic data" that is licensed, leased, rented or loaned to others.
- L.** "Electronic information security wrongful act" means any actual or alleged neglect, breach of duty or omission by an insured that results in:
1. Transmission of a "computer virus" to a third party;
 2. The inability of an authorized user to access your web site or "your electronic information system" because of a "denial of service attack"; or
 3. Failure to prevent unauthorized access to, or unauthorized use of "personal information" held within "your electronic information systems".
- M.** "Electronic media wrongful act" means any actual or alleged error, misstatement or misleading statement in "electronic communications" committed by or on behalf of an insured that results in:
1. An infringement of another's copyright, trademark, trade dress or service mark or service name;

2. Any form of defamation against a person or organization;
 3. A violation of a person's right of privacy; or
 4. Plagiarism.
- N.** "Employee" means an individual whose labor or service is engaged by and directed by the Named Insured. This includes part-time, seasonal and temporary employees as well as any individual employed in a supervisory or managerial position. However, "employee" does not include: an independent contractor or any "employees" of any independent contractor while acting within the scope of their employment; any "leased worker"; or any "temporary worker".
- O.** "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
- P.** "Impaired Property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
1. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
 2. You have failed to fulfill the terms of a contract or agreement;
- if such property can be restored to use by the repair, replacement, adjustment, or removal of "your product" or "your work" or your fulfilling the terms of the contract or agreement.
- Tangible property does not include "electronic data."
- Q.** "Insured Contract" means that part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.
- R.** "Interrelated" means common or related facts, circumstances, situations, events, transactions or causes.
- S.** "Leased Worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".
- T.** "Over-redemption" means price discounts, prizes, awards or other valuable consideration given in excess of the total contracted or expected amount.
- U.** "Personal and Advertising Injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:
1. False arrest, detention or imprisonment;
 2. Malicious prosecution;
 3. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
 4. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
 5. Oral or written publication, in any manner, of material that violates a person's right of privacy;
 6. The use of another's advertising idea in your "advertisement"; or
 7. Infringing upon another's copyright, trade dress or slogan in your "advertisement".
- V.** "Personal information" means data in electronic form collected by the insured 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.
- W.** "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- X.** "Pre-judgment Interest" means interest added to a settlement, verdict, award or judgment based on the amount of time prior to the settlement, verdict, award or judgment, whether or not made part of the settlement, verdict, award or judgment.
- Y.** "Policy period" means the period of time from the inception date of this policy shown in the Declarations to the expiration date shown in the Declarations, or its earlier cancellation or termination date.
- Z.** "Property Damage" means:
1. Physical Injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; and
 2. Loss of use to tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "wrongful act".

For the purposes of this insurance, "electronic data" is not tangible property.

AA. "Subsidiary" means any entity identified in the application for this policy in which at the time of the "wrongful act", the Named Insured had an ownership interest of greater than 50%.

BB. "Suit" means a civil proceeding seeking "damages" in connection with a "wrongful act", or an arbitration proceeding or any other alternative dispute resolution proceeding by which "damages" are sought against an insured in connection with a "wrongful act".

CC. "Temporary Worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

DD. "Wrongful Act(s)" means any actual or alleged:

1. Error or unintentional omission, unintentional misstatement, unintentional misleading statement, neglect or breach of tort duty; or
2. Action by you or an insured which arises out of the discharge of duties for you, individually or collectively,

which results in the failure of "your product" or "your work" to perform the function or serve the purpose intended.

"Wrongful act(s)" includes all related "wrongful act(s)" and all series of continuous, repeated or related "wrongful act(s)".

EE. "Your electronic information system" means any data processing and communications system, network, including computer equipment and software that you own, operate, rent, lease or license from others by which "electronic data" is collected, transmitted, processed, stored or retrieved.

FF. "Your Product":

1. Means:

a. Any technology or telecommunications goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:

(1) You;

(2) Others trading under your name; or

(3) A person or organization whose business or assets you have acquired; and

b. Containers (other than vehicles), materials, parts or equipment furnished in connection with such technology or telecommunications goods or products.

2. Includes:

a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and

b. The providing of or failure to provide warnings or instructions.

3. Does not include vending machines or other property rented to or located for the use of others but not sold.

GG. "Your Work" means:

1. Technology or telecommunications work or operations performed by you or on your behalf; and

2. Materials, parts or equipment furnished in connection with such technology or telecommunications work or operations.

3. Includes:

a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and

b. The providing of or failure to provide warnings or instructions.