



THE CITADEL

Solicitation Number	RFP 23013-JD
Addendum #	3
Date Issued	4/25/2023
Procurement Officer	James de Luca, CPPO
Phone	843-953-6861
E-Mail Address	jdeluca@citadel.edu

SOLICITATION TITLE: RFP 23013-JD Insurance Broker Services

TYPE OF ADDENDUM:

- ☐ Change or clarification to the Solicitation's specifications, requirements, or scope of work.
- ☒ Questions posed regarding the Solicitation and their respective answers by The Citadel.

Question: There is a question about providing current insurance policies where the answer is "Yes". Ideally having these allows us to see your current policy structure / limitations / etc...

Answer: See Appendix A

Question: Providing copies of documents contained in the 2022-23 renewal submission – This was also answered "Yes" and again it would be helpful so wanted to follow up.

Answer: See Appendix B

DESCRIPTION OF CHANGES:

- ☐ Other Change: Describe

IMPORTANT NOTICE:

X Contractor is required to acknowledge receipt of this Addendum by signing below and returning a copy with its Offer.

Except as provided herein, all terms and conditions of the Solicitation referenced above remain unchanged and in full force and effect.

SIGNATURE OF PERSON AUTHORIZED TO EXECUTE ON BEHALF OF OFFEROR

Signature: _____

Printed Name & Title: _____

Company Name: _____

Date: _____



Nonprofit Entity Advantage

Policy Declarations

NOTICE: THE LIABILITY COVERAGE PARTS ARE WRITTEN ON A CLAIMS-MADE BASIS. SUBJECT TO ITS TERMS, THIS POLICY APPLIES ONLY TO CLAIMS FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD OR ANY APPLICABLE EXTENDED REPORTING PERIOD. UNLESS OTHERWISE SPECIFIED HEREIN, THE LIMITS OF LIABILITY CAN BE COMPLETELY EXHAUSTED BY DEFENSE EXPENSES AND DEFENSE EXPENSES WILL BE APPLIED AGAINST THE RETENTION. THE INSURER WILL HAVE NO LIABILITY FOR DEFENSE EXPENSES OR THE AMOUNT OF ANY JUDGMENT OR SETTLEMENT IN EXCESS OF THE APPLICABLE LIMIT OF LIABILITY.

PLEASE READ THE ENTIRE POLICY CAREFULLY.

Policy Number

BD6-D811023-01

The Hanover Insurance Company

440 Lincoln Street
Worcester, Massachusetts 01653
(A Stock Insurance Company, herein called the **Insurer**)

Item 1. NAMED INSURED AND ADDRESS

THE CITADEL
171 MOULTRIE STREET
CHARLESTON, SC 29409-0002

Item 2. POLICY PERIOD

Inception Date: 01/23/2022 Expiration Date: 01/23/2025
(12:01 AM standard time at the address shown in Item 1)

Item 3. COMBINED POLICY AGGREGATE LIMIT OF LIABILITY: ☐ YES ☒ NO

If "Yes" is checked above the Combined Aggregate Limit of Liability for all **Claims** under all **Liability Coverage Parts** is N/A

Item 4. COVERAGE PARTS APPLICABLE TO THIS POLICY

<u>Coverage Part</u>	<u>Yes</u>	<u>No</u>
Directors & Officers and Entity Liability Coverage Part	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Employment Practices Liability Coverage Part	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Fiduciary Liability Coverage Part	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Cyber Privacy & Security Coverage Part	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Crime Coverage Part	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Kidnap & Ransom Coverage Part	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Policy Declarations

Item 5.	COVERAGE PREMIUM	\$11,259.00
		N/A
	Total Amount:	\$11,259.00

Item 6. **ENDORSEMENTS EFFECTIVE AT INCEPTION:** See Schedule of Forms attached.

Item 7. **NOTICE TO INSURER**

Report a claim to the Company as required to:

The Hanover Insurance Company
P.O. Box 15145
Worcester, MA 01615

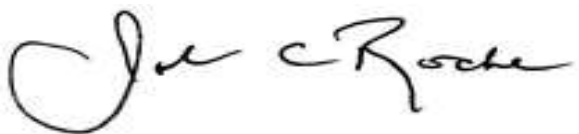
National Claims Telephone Number: 800-628-0250

Facsimile: 800-399-4734

Email: firstreport@hanover.com

Agent on behalf of: ARTHUR J. GALLAGHER RISK MGMT, INC. WACHOVIA PLACE
15 S MAIN ST STE 900
GREENVILLE SC 29601

We have caused this Policy to be signed by our President and Secretary and countersigned where required by a duly authorized agent of the Company.



John C. Roche, President



Charles F. Cronin, Secretary

Common Policy Terms and Conditions

THIS IS A CLAIMS-MADE COVERAGE WITH DEFENSE EXPENSES INCLUDED IN THE LIMIT OF LIABILITY, UNLESS OTHERWISE SPECIFIED HEREIN.

PLEASE READ THE POLICY CAREFULLY.

In consideration of the premium paid, in reliance upon the statements in the **Application** and subject to the Declarations, limitations, conditions, definitions and other provisions of this Policy, including endorsements hereto, the **Insurer** and the **Insureds** agree as follows:

I. COMMON TERMS AND CONDITIONS

The Common Policy Terms and Conditions of this Policy shall apply to all Coverage Parts. Unless stated to the contrary in any Coverage Part, the terms and conditions of each Coverage Part of this Policy shall apply only to that Coverage Part and shall not apply to any other Coverage Part of this Policy. If any provision in this Common Policy Terms and Conditions is inconsistent or in conflict with the terms and conditions of any Coverage Part, the terms and conditions of such Coverage Part shall control for purposes of that Coverage Part. Any defined term referenced in this Common Policy Terms and Conditions and also defined in a Coverage Part shall, for purposes of coverage under that Coverage Part, have the meaning set forth in that Coverage Part, unless otherwise stated.

II. DEFINITIONS

Application means:

- A. Any portion of an application given to the **Insurer** for this Policy including any attachments, written information and materials provided to the **Insurer** by or on behalf of an **Insured** for the purposes of the **Insurer's** underwriting of this Policy; and
- B. Any warranty provided to the **Insurer** within the past three years in connection with any coverage part or policy of which this Policy is a renewal or replacement.

Claim shall have the meaning as defined in the applicable Coverage Part.

Defense Expenses shall have the meaning as defined in the applicable Coverage Part.

Executive means any natural person who is, was, or shall become:

- A. A duly-elected or appointed director, officer, manager, in-house general counsel, governor, regent or trustee of the **Insured Entity**;
- B. A duly elected or appointed manager or member of a Board of Managers of a Limited Liability Company, boards, committees or other units operated under the **Insured Entity's** charter or with the **Insured Entity's** written approval; or
- C. Any person holding an equivalent position to those described in A. and B. above in any **Insured Entity** incorporated, formed or organized anywhere in the world.

Insured shall have the meaning as defined in the applicable Coverage Part.

Insured Entity means the **Named Insured** and any **Subsidiary**.

Insured Individual shall have the meaning as defined in the applicable Coverage Part.

Insurer means the entity issuing this Policy as designated in the Policy Declarations.

Liability Coverage Part means individually or collectively: the Directors, Officers and Entity Liability, Employment Practices Liability and Fiduciary Liability Coverage Parts; and Insuring Agreements A. Privacy and Security Liability and B. Cyber Media Liability of the Cyber Privacy and Security Coverage Part, if purchased and as set forth in Item 4. of the Policy Declarations.

Common Policy Terms and Conditions

Loss shall have the meaning as defined in the applicable Coverage Part.

Named Insured means the entity designated in Item 1. of the Policy Declarations.

Non-Liability Coverage Part means individually or collectively:

- A. The Crime Coverage Part and Kidnap & Ransom Coverage Part; and
- B. Insuring Agreements C. through I. of the Cyber Privacy and Security Coverage Part;

If purchased and as set forth in Item 4. of the Policy Declarations.

Policy Period means the period of time from the inception date shown in Item 2. of the Policy Declarations to the earlier of the expiration date shown in Item 2. of the Policy Declarations or the effective date of termination of this Policy.

Pollutants means any solid, liquid, gaseous or thermal irritants or contaminants, including smoke, vapors, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

Related Claims means all **Claims** based upon, arising from or in any way related to the same facts, circumstances, situations, transactions, results, damage or events or the same series of facts, circumstances, situations, transactions, results, damage or events.

Related Wrongful Act shall have the meaning as defined in the applicable Coverage Part.

Subsidiary means:

- A. Any entity which qualifies as a nonprofit organization in which an **Insured Entity** owns or controls more than fifty percent (50%) of the voting rights for election of or to appoint directors, trustees, managers, member of the Board of Managers, or equivalent positions of such entity are owned or controlled by the **Named Insured**, directly or through one or more **Subsidiaries**;
- B. Any entity while:
 - 1. Exactly fifty percent (50%) of the securities representing the right to vote for election of or to appoint directors, trustees, managers, members of the Board of Managers, or equivalent positions of such entity are owned, or controlled by the **Named Insured**, directly or through one or more **Subsidiaries**; and
 - 2. The **Named Insured**, pursuant to a written contract with the owners of the remaining and outstanding voting stock of such entity, solely controls the management and operation of such entity; or
- C. Any foundation or charitable trust while such entity is controlled by the **Named Insured**.

Coverage shall apply to a **Subsidiary** only during the time it qualifies as a **Subsidiary**.

Wrongful Act shall have the meaning as defined in the applicable Coverage Part.

III. EXCLUSIONS

This insurance does not apply to **Loss** for any **Claim**:

A. Pollution

Based upon, arising out of or in any way related to:

The actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **Pollutants**;

- 1. **Loss**, cost or expense arising out of any 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**; or
-

Common Policy Terms and Conditions

2. Any regulation, direction, request or order by or on behalf of a governmental authority to test for, monitor, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of **Pollutants**.

B. Nuclear

Based upon, arising out of or in any way related to the radioactive, toxic, or explosive properties of nuclear material which includes, but is not limited to, Source Material, Special Nuclear Material and Byproduct Material as those terms are defined in the Atomic Energy Act of 1954 and any amendments thereto, and any similar provisions of any federal, state or local statutory or common law.

IV. LIMIT OF LIABILITY

- A. If the Combined Policy Aggregate Limit of Liability in Item 3. of the Policy Declarations is elected, the amount stated shall be the **Insurer's** maximum liability for all **Loss**, during the **Policy Period** arising from a **Claim** or **Related Claims** under one or more **Liability Coverage Parts** combined. However, any **Loss** paid under a **Liability Coverage Part** shall not exceed the Maximum Aggregate Limit of Liability stated in Item 3. of the respective Coverage Part Declarations.
 - B. If the Combined Policy Aggregate Limit of Liability in Item 3. of the Policy Declarations is not elected, the **Insurer's** maximum liability for all **Loss** during the **Policy Period** arising from a **Claim** or **Related Claims** under each **Liability Coverage Part** shall not exceed the Maximum Aggregate Limit of Liability stated in Item 3. of the respective Coverage Part Declarations.
 - C. Except as otherwise expressly provided in any **Liability Coverage Part**, **Defense Expenses** are part of and not in addition to the applicable Limits of Liability set forth in Item 3. of the applicable Coverage Part Declarations and the payment by the **Insurer** of **Defense Expenses** shall reduce and may exhaust such applicable Limits of Liability.
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V. SPOUSES, DOMESTIC PARTNERS, ESTATES AND LEGAL REPRESENTATIVES

Solely with respect to the **Liability Coverage Parts**, coverage shall extend to:

- A. A lawful spouse or domestic partner, as defined under any applicable federal, state or local law, of an **Insured Individual** solely by reason of such person's status as spouse or domestic partner or such person's ownership interest in property which the claimant seeks as recovery from an **Insured Individual**;
- B. The estate, heirs, legal representatives or assigns of an **Insured Individual** if such **Insured Individual** is deceased, legally incompetent, insolvent or bankrupt.

Coverage shall not apply to **Loss** for **Claims** for any actual or alleged act, error, omission, misstatement, misleading statement, neglect or breach of duty by an **Insured Individual's** spouse, domestic partner, heir, estate, legal representative or assigns.

VI. RELATED CLAIMS

With respect to the **Liability Coverage Parts** all **Related Claims** will be considered as a single **Claim** made in the **Policy Period** or Extended Reporting Period in which the earliest of such **Related Claims** was first made or first deemed to have been made pursuant to the applicable Coverage Part. All **Related Claims** are subject to the Limits of Liability, Retention and other terms and conditions applicable to the earliest **Related Claim**.

Common Policy Terms and Conditions

VII. LEGAL PROCEEDINGS

- A. No individual or entity has a right under this Policy to join the **Insurer** as a party or otherwise bring us into a suit asking for damages from an **Insured** or to sue the **Insurer** on this Policy unless all of its terms have been fully complied with.
 - B. An individual or entity may sue us to recover on an agreed settlement or on a final judgment against an **Insured** but the **Insurer** will not be liable for damages that are not payable under the terms of this Policy or that are in excess of the applicable Limit of Liability. An agreed settlement means a settlement and release of liability signed by us, the **Insured** and the claimant or the claimant's legal representative.
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VIII. CHANGE IN CONTROL OR EXPOSURE

A. Acquisition of the **Named Insured**

If during the Policy Period:

- 1. Another individual, entity or group of individuals or entities acquires more than fifty percent (50%) of the assets of the **Named Insured**; or
- 2. Another individual, entity or group of individuals or entities acquires more than fifty percent (50%) of outstanding securities representing the right to vote for the election of directors, trustees, members of the Board of Managers or management committee members of the **Named Insured**;
- 3. The **Named Insured** consolidates or merges with another entity and the **Named Insured** is not the surviving entity; or
- 4. The **Named Insured** emerges from bankruptcy on an effective date stated in the plan of reorganization;

Then the applicable coverage under this Policy with respect to:

- a. **Liability Coverage Parts** shall continue until the termination or expiration of the **Policy Period** but only for **Claims** for a **Wrongful Act** which occurs prior to the transaction date of such event;
- b. **Non-Liability Coverage Parts** shall terminate as of the transaction date of such event.

The **Named Insured** shall notify the **Insurer** of such transaction as soon as practicable but no later than sixty (60) days after the effective date of the transaction, and provide such additional information as the **Insurer** requires.

B. Cessation of Subsidiaries

If before or during the **Policy Period** an **Insured Entity** ceases to be a **Subsidiary**, then coverage for such **Subsidiary** and its **Insureds** shall continue until termination or expiration of this **Policy Period** but only for **Claims** for **Wrongful Acts** prior to the date such entity ceased to be a **Subsidiary**.

C. Acquisition of Another Organization

If before or during the **Policy Period** the **Insured Entity** acquires the voting rights of another entity such that the acquired entity becomes a **Subsidiary**, then coverage for such **Subsidiary** and its **Insureds** shall be provided but only for **Claims** for **Wrongful Acts** after the date such entity became a **Subsidiary**.

If during the **Policy Period** the **Insured Entity** acquires another entity and at the time of such acquisition the entity becomes a **Subsidiary** (or would have but for its absorption into the **Insured**) and the total revenue of the acquired entity exceeded thirty five percent (35%) of the **Insured Entity** as of the beginning of the **Policy Period**, then the **Named Insured** shall agree to any amendments to the terms of this Policy, including, but not limited to, any additional premium the **Insurer** may require.

Common Policy Terms and Conditions

IX. SUBROGATION

In the event of any payment under this Policy, the **Insurer** shall be subrogated to the extent of such payment to all of the **Insured's** rights of recovery. The **Insured** shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights, including the execution of such documents necessary to enable the **Insurer** to effectively bring suit or otherwise pursue subrogation rights in the name of the **Insureds**, and shall do nothing to prejudice or compromise such rights without the **Insurer's** express written consent.

X. OTHER INSURANCE

If other valid and collectible insurance (other than a policy that is issued specifically as excess of this Policy) is available to the **Insured** for loss covered under this Policy, then the insurance provided by this Policy shall be excess of such other insurance regardless of whether or not such insurance is primary, contributory, excess, contingent or otherwise.

XI. TERRITORY

This Policy applies anywhere in the world.

XII. TERMINATION OF POLICY

This Policy will terminate upon:

- A. Twenty (20) days after mailing by the **Insurer** of a written notice of termination to the **Named Insured** based upon nonpayment of premium, unless such premium is paid within such twenty (20) day period;
 - B. Receipt by the **Insurer** of written notice of termination from the **Named Insured**;
 - C. Expiration of the **Policy Period**; or
 - D. A date agreed upon by the **Insurer** and the **Named Insured**.
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XIII. BANKRUPTCY

Bankruptcy of an **Insured** shall not relieve the **Insurer** of its obligations under this Policy.

XIV. VALUATION AND FOREIGN CURRENCY

All premiums, Limits, Retentions, and other amounts are expressed and payable in the currency of the United States of America. If a judgment is rendered, a settlement is denominated or another element of loss under this Policy is stated in a currency other than the United States of America dollars, then payment under this Policy shall be made in United States of America dollar equivalent determined by the rate of exchange published in the Wall Street Journal on the date the judgment becomes final, the amount of the settlement is agreed upon or any element of loss is due, respectively.

Common Policy Terms and Conditions

XV. ROLE OF NAMED INSURED

By accepting this Policy, the **Named Insured** agrees that it is authorized to, and will act on behalf of all **Insureds** with respect to any rights provided under this Policy and each **Insured** agrees that the **Named Insured** shall act on its behalf with respect to all such matters.

XVI. TITLES AND HEADINGS

The titles and headings in this Policy are solely for convenience and form no part of the terms and conditions of coverage.

XVII. CONFORMANCE TO LAW AND TRADE SANCTIONS

Coverage under this Policy does not apply to the extent trade, economic sanction, insurance or other laws or regulations prohibit the **Insurer** from providing insurance. The terms of this Policy which are in conflict with the statutes of the state in which this Policy is issued are amended to conform to those statutes.

XVIII. NOTICE

- A. Notice to the **Insurer** of any **Claim**, Compliance Resolution Notice or circumstances under any **Liability Coverage Part** or any notice under any **Non-Liability Coverage Part** shall be deemed notice under the Policy in its entirety
 - B. All notices to the **Insurer** under this Policy of any **Claim**, Compliance Resolution Notice or circumstances under any **Liability Coverage Part** or notice under any **Non-Liability Coverage Part** shall be deemed notice under the Policy in its entirety and shall be given in writing to the **Insurer** at the address shown in Item 7. of the Policy Declarations.
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XIX. RESCINDABILITY

The **Insurer** shall not be entitled under any circumstances to void or rescind this Policy with respect to any **Insured**.

**U.S. TREASURY DEPARTMENT'S
OFFICE OF FOREIGN ASSETS CONTROL ("OFAC")
ADVISORY NOTICE TO POLICYHOLDERS**

No coverage is provided by this policyholder notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided.

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

The Office of Foreign Assets Control ("OFAC") administers and enforces sanctions policy, based on Presidential Declarations of National Emergency.

OFAC has identified and listed numerous foreign agents, front organizations, terrorists, terrorists organizations, and narcotic traffickers as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's web site: <http://www.treas.gov/ofac>.

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

Other limitations on the premiums and payments also apply.

CUSTOMER NOTICE OF PRIVACY POLICY AND PRODUCER COMPENSATION PRACTICES DISCLOSURES—PRIVACY POLICY DISCLOSURE

Collection of Information

We collect personal information so that we may offer quality products and services. This information may include, but is not limited to, name, address, Social Security number, and consumer reports from consumer reporting agencies in connection with your application for insurance or any renewal of insurance. For example, we may access driving records, insurance scores or health information. Our information sources will differ depending on your state and/or the product or service we are providing to you. This information may be collected directly from you and/or from affiliated companies, non-affiliated third parties, consumer reporting agencies, medical providers and third parties such as the Medical Information Bureau.

We, and the third parties we partner with, may track some of the web pages you visit through cookies, pixel tagging or other technologies. We currently do not process or comply with any web browser's "do not track" signals or similar mechanisms that request us to take steps to disable online tracking. For additional information regarding online privacy, please see our online privacy statement, located at www.hanover.com.

Disclosure of Information

We may disclose non-public, personal information you provide, as required to conduct our business and as permitted or required by law. We may share information with our insurance company affiliates or with third parties that assist us in processing and servicing your account. We also may share your information with regulatory or law enforcement agencies, reinsurers and others, as permitted or required by law.

Our insurance companies may share information with their affiliates, but will not share information with non-affiliated third parties who would use the information to market products or services to you.

Our standards for disclosure apply to all of our current and former customers.

Safeguards to Protect Your Personal Information

We recognize the need to prevent unauthorized access to the information we collect, including information held in an electronic format on our computer systems. We maintain physical, electronic and procedural safeguards intended to protect the confidentiality and integrity of all non-public, personal information, including but not limited to social security numbers, driver's license numbers and other personally identifiable information.

Internal Access to Information

Access to personal, non-public information is limited to those people who need the information to provide our customers with products or services. These people are expected to protect this information from inappropriate access, disclosure and modification.

Consumer Reports

In some cases, we may obtain a consumer report in connection with an application for insurance. Depending on the type of policy, a consumer report may include information about you or your business, such as:

- character, general reputation, personal characteristics, mode of living;
 - credit history, driving record (including records of any operators who will be insured under the policy); and/or
 - an appraisal of your dwelling or place of business that may include photos and comments on its general condition.
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Access to Information

Upon written request, we will inform you if we have ordered an investigative consumer report. You have the right to make a written request within a reasonable period for information concerning the nature and scope of the report and to be interviewed as part of its preparation. You may obtain a copy of the report from the reporting agency and, under certain circumstances, you may be entitled to a copy at no cost.

You also may review certain information we have about you or your business in our files. To review information we maintain in our files about you or your business, please write to us, providing your complete name, address and policy number(s), and indicating specifically what you would like to see. If you request actual copies of your file, there may be a nominal charge.

We will tell you to whom we have disclosed the information within the two years prior to your request. If there is not a record indicating that the information was provided to another party, we will tell you to whom such information is normally disclosed.

There is information that we cannot share with you. This may include information collected in order to evaluate a claim under an insurance policy, when the possibility of a lawsuit exists. It may also include medical information that we would have to forward to a licensed medical doctor of your choosing so that it may be properly explained.

Correction of Information

If after reviewing your file you believe information is incorrect, please write to the consumer reporting agency or to us, whichever is applicable, explaining your position. The information in question will be investigated. If appropriate, corrections will be made to your file and the parties to whom the incorrect information was disclosed, if any, will be notified. However, if the investigation substantiates the information in the file, you will be notified of the reasons why the file will not be changed. If you are not satisfied with the evaluation, you have the right to place a statement in the file explaining why you believe the information is incorrect. We also will send a copy of your statement to the parties, if any, to whom we previously disclosed the information and include it in any future disclosures.

Our Commitment to Privacy

In the insurance and financial services business, lasting relationships are built upon mutual respect and trust. With that in mind, we will periodically review and revise our privacy policy and procedures to ensure that we remain compliant with all state and federal requirements. If any provision of our privacy policy is found to be non-compliant, then that provision will be modified to reflect the appropriate state or federal requirement. If any modifications are made, all remaining provisions of this privacy policy will remain in effect. For more detailed information about our customer privacy policy (including any applicable state-specific policies) and our online privacy statement, visit our Web site, located at www.hanover.com.

Further Information

If you have questions about our customer privacy policy (including any applicable state-specific policies) or our online privacy statement, or if you would like to request information we have on file, please write to us at our Privacy Office, N435, The Hanover Insurance Group, Inc., 440 Lincoln Street, Worcester, MA 01653. Please provide your complete name, address and policy number(s). A copy of our Producer Compensation Disclosure is also available upon written request addressed to the attention of the Corporate Secretary, N435, The Hanover Insurance Group, 440 Lincoln Street, Worcester, MA 01653.

Producer Compensation Disclosure

Our products are sold through independent agents and brokers, often referred to as "Producers." We may pay Producers a fixed commission for placing and renewing business with our company. We may also pay additional commission and other forms of compensation and incentives to Producers who place and maintain their business with us. Details of our Producer compensation practices may be found at www.hanover.com.



POLICYHOLDER NOTICE

This notice is being provided on behalf of the following Hanover Companies: The Hanover Insurance Group, Inc. - Allmerica Financial Alliance Insurance Company - Allmerica Financial Benefit Insurance Company - Allmerica Plus Insurance Agency, Inc. - Citizens Insurance Company of America - Citizens Insurance Company of Illinois - Citizens Insurance Company of the Midwest - Citizens Insurance Company of Ohio - Citizens Management, Inc. - AIX Ins. Services of California, Inc.- Campania Insurance Agency Co. Inc. - Campmed Casualty & Indemnity Co. Inc. - Chaucer Syndicates Limited- Educators Insurance Agency, Inc.- Hanover Specialty Insurance Brokers, Inc. - The Hanover American Insurance Company - The Hanover Insurance Company - The Hanover New Jersey Insurance Company - The Hanover National Insurance Company - Hanover Lloyd's Insurance Company - Massachusetts Bay Insurance Company - Opus Investment Management, Inc. - Professionals Direct Insurance Services, Inc. -Professional Underwriters Agency, Inc. - Verlan Fire Insurance Company - Nova Casualty Company - AIX Specialty Insurance Company.

SOUTH CAROLINA DISCLOSURE– APPLICATION ADDENDUM

In accordance with SC Ins. § 38-751200(A) and (D) of the 1976 Code as amended, this Notice advises that:

THE INSURER CAN CANCEL THIS POLICY FOR WHICH YOU ARE APPLYING WITHOUT CAUSE DURING THE FIRST 120 DAYS. THAT IS THE INSURER'S CHOICE. AFTER THE FIRST 120 DAYS, THE INSURER CAN ONLY CANCEL THIS POLICY FOR REASONS STATED IN THE POLICY.



Coverage Part: Common Policy Terms and Conditions

Endorsement Number: 1

Issued To: THE CITADEL

Policy Number: BD6-D811023-01

Issued By: The Hanover Insurance Company

Effective Date: 01/23/2022

SCHEDULE OF FORMS

To be attached to and form part of the Policy Number listed above.

Common Policy Terms and Conditions

904-1002NP	05/18	Common Policy Declarations-Np
904-1001NP	01/15	Common Policy Terms And Conditions
904-7100 PHN	01/14	U.S. Treasury Department's Office Of Foreign Assets Control ("OFAC") Advisory Notice To Policyholders
904-7107 PHN	12/14	Privacy Policy And Producer Compensation Practices Disclosures-Privacy Disclosure
904-7122SC PHN	07/19	South Carolina Disclosure - Application Addendum
904-1025	01/14	Schedule Of Forms
904-6022	08/16	South Carolina State Amendatory Endorsement

Crime Coverage Part

908-1002	01/14	Crime Coverage Part Declarations
908-1001	10/15	Crime Coverage Part
908-1155	09/18	False Pretenses Coverage
908-1174	04/17	Crime Enhancement Endorsement

All other terms and conditions remain unchanged. The title and any headings in this endorsement are solely for convenience and form no part of the terms and conditions of coverage.

Coverage Part: Common Policy Terms and Conditions

Endorsement Number: 2

Issued To: THE CITADEL

Policy Number: BD6-D811023-01

Issued By: The Hanover Insurance Company

Effective Date: 01/23/2022

SOUTH CAROLINA STATE AMENDATORY ENDORSEMENT

In consideration of the premium charged it is agreed that:

Section XII. Termination of Policy is deleted and replaced by:

XII. TERMINATION / RENEWAL OF POLICY

A. This Policy will terminate upon:

1. Receipt by the **Named Insured** of a notice of termination from the **Insurer**, if this Policy is not a renewal and has been in effect for less than one hundred twenty (120) days with:
 - a. Ten (10) days written notice for nonpayment of premium, unless such premium is paid within such ten (10) day period; or
 - b. Thirty (30) days written notice for any other reason.
2. Receipt by the **Named Insured** of a notice of termination from the **Insurer**, if this Policy has been in effect for one hundred twenty (120) days or more or is a renewal of a Policy issued by the **Insurer** for only the following reasons with:
 - a. Ten (10) days written notice for nonpayment of premium, unless such premium is paid within such ten (10) day period;
 - b. Not less than sixty (60) days written notice prior to the proposed effective date of termination between November 1st and May 31st and ninety (90) days prior to the proposed effective date of termination between June 1st and October 31st for:
 - 1) A material misrepresentation of fact which, if known to the **Insurer**, would have caused the **Insurer** to not issue the Policy;
 - 3) A substantial change in the risk assumed, except to the extent that the **Insurer** should reasonably have foreseen the change or contemplated the risk in writing the Policy;
 - 4) A substantial breach of contractual duties, conditions, or warranties; or
 - 5) A loss of reinsurance covering all or a significant portion of this Policy or where continuation of this Policy would imperil the **Insurer's** solvency or place the **Insurer** in violation of the insurance laws of South Carolina. The **Insurer** will notify the director or his designee, in writing, at least sixty (60) days prior to such termination and the director or his designee will within thirty (30) days of notification approve or disapprove such action.
3. Receipt by the **Insurer** of written notice of termination from the **Named Insured**;

All other terms and conditions remain unchanged. The title and any headings in this endorsement are solely for convenience and form no part of the terms and conditions of coverage.

Coverage Part: Common Policy Terms and Conditions

Endorsement Number: 2

Issued To: THE CITADEL

Policy Number: BD6-D811023-01

Issued By: The Hanover Insurance Company

Effective Date: 01/23/2022

-
4. Expiration of the **Policy Period**; or
 5. A date agreed upon by the **Insurer** and the **Named Insured**.
- B. This Policy may be non-renewed by the **Insurer** by sending written notice to the **Named Insured's** last known address and to the agent of record at least sixty (60) days prior to the expiration of the **Policy Period** for any nonrenewal effective between November 1st and May 31st. For any nonrenewal effective between June 1st and October 31st, notice will be given in the same manner described but not less than ninety (90) days prior to the expiration of the **Policy Period**. The notice will contain the date of the notice and the policy number, and will state the expiration date of the Policy. The **Insurer** will extend the period of coverage of the current Policy at the expiring premium to comply with this notice requirement. Earned premium for any period of coverage beyond the expiration date will be considered pro rata based upon the rates in effect at the inception date of the expiring Policy. Changes in terms available on renewal will not be considered a nonrenewal of this Policy.
- C. Notices of termination or nonrenewal will be sent to the **Named Insured's** last known address by certified mail, with a copy of such notice mailed to the agent of record. Notice will state the precise reason and the effective date of termination or nonrenewal.
- D. Notice of renewal terms and a statement of the premium due will be sent to the **Named Insured** and the agent of record by first class mail at least thirty (30) days prior to the expiration of the Policy.

All other terms and conditions remain unchanged. The title and any headings in this endorsement are solely for convenience and form no part of the terms and conditions of coverage.



Crime Declarations

PLEASE READ ALL TERMS AND CONDITIONS CAREFULLY

Policy Number

BD6-D811023-01

The Hanover Insurance Company

440 Lincoln Street
Worcester, Massachusetts 01653
(A Stock Insurance Company, herein called the **Insurer**)

Item 1. NAMED INSURED

THE CITADEL
171 MOULTRIE STREET
CHARLESTON, SC 29409-0002

Item 2. POLICY PERIOD

Inception Date: 01/23/2022 Expiration Date: 01/23/2025
(12:01 AM standard time at the address shown in Item 1)

Item 3. INSURING AGREEMENTS, LIMITS OF LIABILITY AND RETENTIONS

<u>Insuring Agreement</u>	<u>Limits of Liability</u>	<u>Retentions</u>
A. Fidelity		
1. Employee Theft	\$1,000,000	\$100,000
2. ERISA Fidelity	\$1,000,000	\$0
3. Client Property	\$1,000,000	\$100,000
B. Forgery or Alteration	\$1,000,000	\$100,000
C. Premises Coverage	\$1,000,000	\$100,000
D. Transit Coverage	\$1,000,000	\$100,000
E. Computer Crime		
1. Computer Fraud	\$1,000,000	\$100,000
2. Restoration Expense	\$50,000	\$10,000
F. Funds Transfer Fraud	\$1,000,000	\$100,000
G. Credit, Debit or Charge Card Fraud	\$1,000,000	\$100,000
H. Money Orders and Counterfeit Money	\$1,000,000	\$100,000

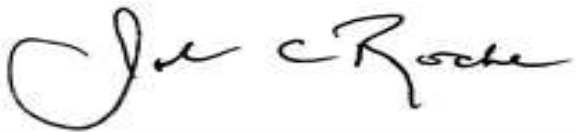
Crime Declarations

<u>Insuring Agreement (con't)</u>	<u>Limits of Liability</u>	<u>Retentions</u>
I. Personal Accounts Protection		
1. Forgery or Alteration	\$25,000	\$0
2. Identity Fraud	N/A	N/A
Reimbursement		
J. Investigative Expense	\$50,000	\$0

Item 4. PREMIUM FOR COVERAGE PART

\$11,259.00

We have caused this Policy to be signed by our President and Secretary and countersigned where required by a duly authorized agent of the Company.



John C. Roche, President



Charles F. Cronin, Secretary

In consideration of the premium paid, in reliance upon the statements in the **Application** and subject to the Crime Declarations, limitations, conditions, definitions and other provisions of this Coverage Part, including endorsements hereto, the **Insurer** and the **Insureds** agree as follows:

I. INSURING AGREEMENTS

A. Fidelity

1. Employee Theft

The **Insurer** will pay the **Insured** for direct loss of or damage to **Money, Securities or Other Property** sustained by an **Insured** resulting from **Theft** or **Forgery** committed by an **Employee**, whether identified or not, acting alone or in collusion with others.

2. ERISA Fidelity

The **Insurer** will pay an **Employee Benefit Plan** for direct loss of **Money, Securities or Other Property** sustained by such **Employee Benefit Plan** resulting from fraudulent or dishonest acts, including larceny, **Theft**, embezzlement, **Forgery**, misappropriation, wrongful abstraction, wrongful conversion and willful misapplication, committed by a **Fiduciary** of any **Employee Benefit Plan**, whether identified or not, acting alone or in collusion with others.

3. Client Property

The **Insurer** will pay the **Insured** for direct loss of or damage to **Money, Securities or Other Property** sustained by the **Insured's Client** resulting from **Theft** committed by an identified **Employee** not in collusion with such **Client's** employees.

B. Forgery or Alteration

The **Insurer** will pay the **Insured** for loss directly caused by **Forgery** or alteration of a **Financial Instrument** which is:

1. Made, drawn by or drawn upon the **Insured**;
2. Made or drawn by one acting as the **Insured's** agent, or

which is purported to have been so made or drawn.

If the **Insured** is sued for refusing to pay any written **Financial Instrument** on the basis that it has been forged or altered, and the **Insured** has the **Insurer's** written consent to defend against the suit, the **Insurer** will pay for any reasonable legal fees and expenses that the **Insured** incurs and pays in such defense. The amount that the **Insurer** will pay is in addition to the Limit of Liability applicable to this Insuring Agreement.

For the purposes of this Insuring Agreement, **Financial Instrument** includes a substitute check, as defined in the Check Clearing for the 21st Century Act, and shall be treated the same as the original it replaced.

C. Premises Coverage

The **Insurer** will pay the **Insured** for direct loss sustained by the **Insured** resulting from:

1. **Robbery, Theft or Safe Burglary**, committed by a **Third Party**, of **Money** and **Securities** located inside the **Premises** or **Banking Premises**;
2. Loss of or damage to **Other Property** resulting from an actual or attempted **Robbery, Theft or Safe Burglary** in the **Premises**; or
3. Damage to the **Premises** or its exterior resulting from an actual or attempted **Robbery, Theft or Safe Burglary**;

4. Damage to a locked safe, vault, cash register, cash box or cash drawer located inside the **Premises** resulting from an actual or attempted **Robbery** or **Safe Burglary** of, or unlawful entry into such containers.

D. Transit Coverage

The **Insurer** will pay the **Insured** for direct loss sustained by the **Insured** resulting from:

1. **Robbery** or **Theft of Money** and **Securities** committed by a **Third Party**, or destruction or disappearance of **Money** and **Securities**, while **In Transit** and including while temporarily within the living quarters of a **Messenger**.
2. **Robbery** or **Theft of Other Property** committed by a **Third Party**, or destruction, disappearance or damage of **Other Property**, while **In Transit**.

E. Computer Crime

1. Computer Fraud

The **Insurer** will pay the **Insured** for direct loss sustained by the **Insured** of **Money**, **Securities** and **Other Property** resulting directly from **Computer Fraud**.

2. Program and Electronic Data Restoration Expense

The **Insurer** will pay the **Insured** for reasonable **Restoration Expense** that the **Insured** incurs to restore or replace damaged or destroyed **Computer Programs** or **Electronic Data** stored within the **Insured Computer System** directly caused by a **Computer Violation**.

Payment of reasonable **Restoration Expense** applies only if the **Insured** is unable to reproduce such **Computer Programs** or **Electronic Data** from back-up data copies.

Payment of reasonable **Restoration Expense** will be made to the **Insured** upon the completion of the restoration of the damaged or destroyed **Computer Programs** or **Electronic Data**.

F. Funds Transfer Fraud

The **Insurer** will pay the **Insured** for direct loss of **Money** or **Securities** resulting from a **Fraudulent Instruction** directing a financial institution to transfer, pay or deliver **Money** or **Securities** from the **Insured Transfer Account**.

G. Credit, Debit or Charge Card Fraud

The **Insurer** will pay the **Insured** for direct loss resulting from **Credit, Debit or Charge Card Fraud** committed by a **Third Party**.

H. Money Orders and Counterfeit Money

The **Insurer** will pay the **Insured** for direct loss resulting from the **Insured** having accepted in good faith, in exchange for merchandise, **Money** or **Securities**:

1. Money orders issued by any post office, express company or bank that are not paid upon presentation; or
2. **Counterfeit Money** that is acquired during the regular course of business.

I. Personal Accounts Protection

1. Personal Accounts Forgery or Alteration

The **Insurer** will pay the **Insured** for direct loss resulting from **Forgery** or alteration of checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in **Money** that are:

- a. Made, drawn or purported to be made or drawn upon personal accounts of the **Executive**; or
- b. Made, drawn or purported to be made or drawn by someone acting as an agent of the **Executive**.

For the purposes of this Insuring Agreement, a substitute check, as defined in the Check Clearing for the 21st Century Act, shall be treated the same as the original it replaced.

2. Identity Fraud Expense Reimbursement

The **Insurer** will reimburse the **Insured**, on behalf of the **Executive**, for **Identity Fraud Expense** incurred by an **Executive** as a direct result of any **Identity Fraud**.

J. Investigative Expense

1. The **Insurer** will pay the **Insured** for **Investigative Expenses** to determine the amount of loss covered under any Insuring Agreement of this Coverage Part.
2. The **Insurer** will pay the **Insured** for **Investigative Expenses** after settlement of covered loss.

II. **DISCOVERY PERIOD**

The **Insurer** will pay the **Insured** for direct loss sustained prior to the effective date of cancellation of this Coverage Part which is **Discovered** by the **Insured**:

- A. No later than ninety (90) days from the date of that cancellation; and
- B. No later than one (1) year from the date of that cancellation with regard to any **Employee Benefit Plan**.

However, this extended period to **Discover** loss terminates immediately upon the effective date of any other insurance policy obtained by the **Insured**, whether from the **Insurer** or another insurer, replacing in whole or in part the coverage afforded under this Coverage Part, whether or not such other insurance policy provides coverage for loss sustained prior to its effective date.

III. **DEFINITIONS**

Banking Premises means the interior of that portion of any building occupied by a banking institution or similar safe depository.

Client means an entity for which the **Insured** performs services for a fee or under written contract while that contract is in effect.

Client's Premises means the interior of that portion of any building the **Insured** occupies in conducting its business.

Computer Fraud means the unlawful taking of **Money**, **Securities** or **Other Property** resulting directly from a **Computer Violation**.

Computer Program means a set of related electronic instructions which direct the operations and functions of a **Computer System** or devices connected to it which enable the **Computer System** or devices to receive, process, store, retrieve, send, create or otherwise act upon **Electronic Data**.

Computer System means a computer and all input, output, processing, storage and communication facilities and equipment which are connected to such a device and which the operating system or application software used by the **Insured** are under direct operational control by the **Insured**. Off-line media libraries are deemed to be part of such **Computer System**.

Computer Violation means:

- A. A **Computer Virus** designed to damage or destroy a **Computer Program** or **Electronic Data**; or
- B. A natural person (other than an **Employee**) who has gained unauthorized access to the **Insured's Computer System**.

Computer Virus means a set of unauthorized instructions, programmatic or otherwise:

- A. Directed solely against the **Insured**; and
 - B. That propagates themselves through the **Computer System** or networks;
- provided such instructions were maliciously introduced by a natural person.

Counterfeit Money means an imitation of **Money** that is intended to deceive and to be taken as genuine.

Credit, Debit or Charge Card Fraud means the **Forgery** or alteration of, on or in, any written instrument required in connection with any transaction involving any credit, debit or charge card issued to the **Insured**, or at the **Insured's** request to any **Employee**.

Custodian means the **Insured**, or any of the **Insured** partners or **Members**, or any **Employee** while having care and custody of **Money**, **Securities** or **Other Property** inside the **Premises**, excluding any person while acting as a **Watchperson** or janitor.

Digital Signature means an electronic identifier created by computer, within, attached to, or logically associated with a record, and executed or adopted by a person with the intent to sign the record.

Discover, Discovered or Discovery means the time when an **Executive** or individual responsible for placing insurance, first becomes aware of facts which would cause a reasonable person to assume that a loss of a type covered by this Coverage Part has been or will be incurred and includes loss:

- A. Where the details, act or acts causing or contributing to such loss may not yet be known;
- B. Which does not exceed the Retention set forth in Item 3. of the Crime Declarations;
- C. Which is sustained prior to the inception date of any coverage under this Coverage Part; or
- D. Which is the subject of an actual or potential claim in which it is alleged that an **Insured** is liable to a **Third Party** under circumstances which, if true, would constitute a loss under this Coverage Part.

Electronic Data means facts or information converted to a form usable in a **Computer System**:

- A. Which does not provide instructions or directions to a **Computer System**; or
- B. Which is stored on electronic processing media for use by a **Computer Program**.

Electronic Signature means a **Digital Signature**, an electronic sound, symbol or process, within, attached to, or logically associated with a record and executed or adopted by a person with the intent to sign the record.

Employee means:

- A. Any natural person:
 - 1. While in the **Insured's** service and for the first sixty (60) days immediately after termination of service, unless such termination is due to **Theft** or any other dishonest act committed by the **Employee**;
 - 2. Who the **Insured** compensates directly by salary, wages or commissions; and
 - 3. Who the **Insured** has the right to direct and control while performing services for the **Insured**.
 - B. Any natural person who is temporarily furnished to the **Insured**:
 - 1. To substitute for an **Employee** as set forth in paragraph A. above, who is on medical, military or other leave of absence; or
 - 2. To meet seasonal or short-term work load conditions;
- while such person is subject to the **Insured's** direction and control and performing services for the **Insured**, excluding, however, any such person while having care and custody of **Money**, **Securities** or **Other Property** outside the **Premises**.

- C. Any natural person who is leased to the **Insured** under a written agreement between the **Insured** and a labor leasing firm, to perform duties related to the conduct of the **Insured's** business, but does not mean a temporary employee as described in paragraph B. above.
- D. Any natural person who is:
 - 1. A trustee, officer, employee, administrator or manager, except an administrator or manager who is an independent contractor of any **Employee Benefit Plan**; or
 - 2. A director or trustee of the **Insured** while that person is engaged in handling **Money, Securities or Other Property** of any **Employee Benefit Plan**.
- E. Any natural person:
 - 1. Who is a former **Employee**, partner, **Member, Manager**, or **Executive** retained as a consultant while performing services for the **Insured**;
 - 2. Who is a non-compensated officer;
 - 3. While acting as a non-compensated fund solicitor during fund raising campaigns; or
 - 4. Who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody of **Money, Securities or Other Property** outside the **Premises**.
- F. Any attorney retained by the **Insured**, while performing legal services for the **Insured**.
- G. Any **Employee** of an entity merged or consolidated with the **Insured** prior to the effective date of this Policy.
- H. Any of the **Insured Managers**, directors or trustees while:
 - 1. Performing acts within the scope of the usual duties of an **Employee**; or
 - 2. Acting as a member of any committee duly elected or appointed by resolution of the **Insured's** board of directors or board of trustees to perform specific, as distinguished from general, directorial acts on the **Insured's** behalf.
- I. Any **Employee** included above while on military service.

However, **Employee** does not include any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character.

Employee Benefit Plan means any welfare or pension benefit plan sponsored by an **Insured Entity** whether or not subject to the Employee Retirement Income Security Act of 1974 (ERISA), as amended, and as amended by the Pension Protection Act of 2006, which is operated solely by an **Insured Entity** or jointly by an **Insured Entity** and a labor organization for the benefit of **Employees**, provided that the **Employee Benefit Plan** shall not include any multi-employer plans.

Executive means an **Insured Entity's** owner, natural person partner, member of the board of directors, member of the board of trustees, officer, risk manager, in-house general counsel, **Manager**, or **Member**.

Fiduciary means any natural person who is an **Employee**, trustee, officer, member of the board of directors, **Member, Manager** or an administrator of any **Employee Benefit Plan** while that person is handling **Money, Securities or Other Property** that belongs to any **Employee Benefit Plan**.

Financial Instrument means checks, drafts or similar written promises, orders or directions to pay a sum certain in **Money**, that are made, drawn by or drawn upon an **Insured Entity** or by anyone acting as an **Insured Entity's** agent, or that are purported to have been so made or drawn.

Forgery means the signing of the name of another person or organization with intent to deceive. It does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity, for any purpose.

Fraudulent Instruction means:

- A. An electronic, telegraphic, cable, teletype, telefacsimile or telephone instruction which purports to have been transmitted by the **Insured**, but which has in fact been fraudulently transmitted by someone else without the **Insured's** knowledge or consent;
- B. A written instruction, other than a **Financial Instrument**, issued by the **Insured**, which was forged or altered by someone other than the **Insured** without the **Insured's** knowledge or consent, or which purports to have been issued by the **Insured**, but was in fact fraudulently issued without the **Insured's** knowledge or consent; or
- C. An electronic, telegraphic, cable, teletype, telefacsimile, telephone or written instruction initially received by the **Insured** which purports to have been transmitted by an **Employee**, but which was in fact fraudulently transmitted by someone else without the **Insured's** or the **Employee's** knowledge or consent.

Identity Fraud means the act of knowingly transferring or using, without lawful authority, a means of identification of an **Executive** with the intent to commit, aid or abet any unlawful activity that constitutes a violation of federal law or a felony under any applicable state or local law.

Identity Fraud Expense means:

- A. Costs of notarizing fraud affidavits or similar documents for credit agencies, financial institutions, merchants or other credit grantors that have required that such affidavits be notarized;
- B. Costs for certified mail to law enforcement agencies, credit agencies, financial institutions, merchants or other credit grantors;
- C. Costs for long distance telephone calls to law enforcement agencies, credit agencies, financial institutions, merchants or other credit grantors to report or discuss any actual **Identity Fraud**;
- D. Lost wages, up to a maximum payment of one thousand dollars (\$1,000.00) per week for a maximum period of five (5) weeks, as a result of absence from employment:
 - 1. To communicate with law enforcement agencies, legal counsel, credit agencies, financial institutions, merchants or other credit grantors;
 - 2. To complete fraud affidavits or similar documents; or
 - 3. Due to wrongful incarceration arising solely from someone having committed a crime in the **Executive's** name; provided, that lost wages shall not apply in the case of wrongful incarceration absent all charges being dismissed or an acquittal.
- E. Loan application fees for reapplying for a loan or loans when the original application is rejected solely because the lender received incorrect credit information.
- F. Reasonable attorney fees incurred, with the **Insurer's** prior written consent, for:
 - 1. Defense of lawsuits brought against the **Insured Executive** by financial institutions, merchants, other credit grantors or their collection agencies;
 - 2. The removal of any criminal or civil judgments wrongly entered against the **Insured Executive**; or
 - 3. Challenging the accuracy or completeness of any information in a consumer credit report.
- G. Costs for daycare and eldercare incurred solely as a direct result of any **Identity Fraud Discovered** during the **Policy Period**.

But, **Identity Fraud Expense** does not include any expense or loss not listed in paragraphs A. through G. of this definition.

In Transit means being conveyed by the **Insured** outside the **Premises**, from one place to another and in the custody of a **Messenger**, an armored motor vehicle carrier, or another person authorized by the **Insured** to have custody of **Money**, **Securities** or **Other Property**.

Insured means any **Insured Entity** and any **Employee Benefit Plan**.

Investigative Expenses means reasonable and necessary expenses (expenses other than internal corporate costs such as **Employee** salaries and wages) incurred by the **Insured** with the **Insurer's** prior written consent to establish the amount of a covered loss. **Investigative Expenses** shall not include expenses incurred by any **Client**.

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

Member means an owner of a limited liability company represented by its membership interest, who also may serve as a **Manager**.

Messenger means any **Executive**, **Member**, **Manager**, including a relative thereof, or **Employee** of an **Insured** while having care and custody of **Money**, **Securities** or **Other Property** outside the **Premises**.

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.

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 **Computer Systems** or any property specifically excluded under this Coverage Part.

Premises means the interior of that portion of any building the **Insured** occupies in conducting business.

Restoration Expense means reasonable costs incurred by the **Insured** to reproduce **Computer Programs** or **Electronic Data** and enable the **Insured** to restore the **Insured Computer System** to the level of operational capability that existed immediately preceding a **Computer Violation**.

However, **Restoration Expense** does not include:

- A. Internal corporate costs and expenses, including **Employee** remuneration and any costs related to any legal action;
- B. Expenses incurred as a result of the reconstruction of **Computer Programs** or **Electronic Data** recorded on media, including, but not limited to, magnetic or optical media if there are no analyses files, specifications or backups of **Computer Programs** or **Electronic Data** held outside the **Premises**;
- C. Expenses incurred as a result of the reconstruction of **Computer Programs** and **Electronic Data** if the **Insured** knowingly uses illegal copies of programs;
- D. Expenses incurred to render the **Computer Programs** and **Electronic Data** usable by replacement processing equipment;
- E. Expenses incurred to design, update or improve **Computer Programs** or **Electronic Data** or to perfect their operation or performance; or
- F. Expenses incurred as a result of alteration in **Computer Programs** and **Electronic Data** held on magnetic media due to the effect of magnetic fields, incorrect usage of the **Computer Programs** and **Electronic Data**, or the obsolescence of the **Computer System**.

Robbery means the unlawful taking of **Money**, **Securities** or **Other Property** from the care and custody of a person by one who has:

- A. Caused or threatened to cause that person bodily harm; or
- B. Committed an obviously unlawful act witnessed by that person.

Safe Burglary means the unlawful taking of:

A. **Money, Securities or Other Property** from within a locked safe or vault by a person unlawfully entering the safe or vault as evidenced by marks of forcible entry upon its exterior; or

B. A safe or vault from inside the **Premises**.

Securities means negotiable and nonnegotiable instruments or contracts representing **Money** or **Other 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 **Insured**;

but does not include **Money**.

Theft means the intentional unlawful taking to the deprivation of an **Insured** or **Client**.

Third Party means a person other than an **Insured** or **Employee**.

Transfer Account means an account maintained by the **Insured** at a financial institution from which the **Insured** can initiate the transfer, payment or delivery of **Money** or **Securities**:

A. By means of electronic, telegraphic, cable, teletype, telefacsimile or telephone instructions communicated directly through an electronic funds transfer system; or

B. By means of written instructions (other than those described in Insuring Agreement I.B.) establishing the conditions under which such transfers are to be initiated by such financial institution through an electronic funds transfer system.

Watchperson means any person the **Insured** retains specifically to have care and custody of **Money, Securities or Other Property** inside the **Premises** and who has no other duties.

IV. EXCLUSIONS

A. For the purpose of all Insuring Agreements this Coverage Part shall not cover:

1. Partners

Loss resulting from **Theft**, or any other dishonest act, committed by a natural person partner of an **Insured Entity**, whether acting alone or in collusion with others. However this Exclusion shall not apply to Insuring Agreement A.2. ERISA Fidelity.

2. Prior Dishonesty

Loss caused by an **Employee** which is sustained by the **Insured** after an **Executive**, becomes aware of a **Theft** or any other dishonest or criminal act which is:

a. Valued at one thousand dollars (\$1,000) or more, committed by such **Employee** while employed with or in the service of an **Insured**;

b. Valued at twenty-five thousand dollars (\$25,000) or more, committed by such **Employee** prior to employment or service with an **Insured**; or

c. Committed more than ninety (90) days following the termination of such **Employee**.

3. Employees, Managers, or Executives

Loss resulting from **Theft** or any other dishonest act committed by an **Employee, Manager, Member** or **Executive** whether acting alone or in collusion with others or while performing services for the **Insured** or otherwise, except when covered under Insuring Agreements A.1., A.2. and A.3. of this Coverage Part.

4. Confidential Information

Loss resulting from:

- a. The unauthorized disclosure of the **Insured's** confidential information including, but not limited to, patents, trade secrets, **Electronic Data, Computer Programs**, processing methods or customer lists; or
- b. The unauthorized use or disclosure of confidential information of another person or entity which is held by the **Insured** including, but not limited to, financial information, personal information, credit card information or similar non-public information.

5. Governmental Action

Loss resulting from expropriation, nationalization, seizure or destruction of **Money, Securities or Other Property** by order of governmental authority.

6. Indirect/Consequential Loss

Loss that is an indirect or consequential loss of any kind including, but not limited to, loss resulting from:

- a. The inability to realize income that the **Insured** would have realized had there been no loss of or damage to **Money, Securities or Other Property**;
- b. Payment of damages of any type for which the **Insureds** are legally liable. However, The **Insurer** will pay compensatory damages arising directly from a loss covered under this Coverage Part;
- c. Payment of **Investigative Expenses** except when covered under Insuring Agreement I.J. of this Coverage Part;
- d. Payment of costs, fees or other expenses the **Insureds** incur in establishing the existence of loss under this Coverage Part; and
- e. Fines, penalties, multiple or punitive damages that the **Insured's** incur.

7. Legal Fees, Costs and Expenses

Fees, costs and expenses incurred by the **Insured** which are related to any legal action, except when covered under Insuring Agreement I.J. of this Coverage Part.

8. Trading

Loss resulting directly or indirectly from trading, whether in the **Insured's** name or in a genuine or fictitious account. However, the **Insurer** will pay for loss resulting directly from trading in a genuine or fictitious account when covered under Insuring Agreements A.1., A.2. or A.3. of this Coverage Part.

9. War and Military Action

Loss or damage resulting from:

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

B. For the purpose of Insuring Agreement A. Fidelity, this Coverage Part shall not cover:

1. Inventory Shortage

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

- a. An inventory computation; or
- b. A profit and loss computation.

However, where the **Insured** establishes wholly apart from such computations that the **Insured** has sustained a loss, then the **Insured** may offer the **Insured's** inventory records and actual physical count of inventory in support of the amount of loss claimed.

2. 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.

C. For the purpose of Insuring Agreements I.C. Premises and I.D. Transit Coverage, this Coverage Part shall not cover:

1. Accounting or Arithmetical Errors or Omissions

Loss resulting from accounting or arithmetical errors or omissions.

2. Exchanges or Purchases

Loss resulting from the giving or surrendering of **Money, Securities or Other Property** in any exchange or purchase.

3. Fire

Loss or damage resulting from fire, however caused, except:

- a. Loss of or damage to **Money, Securities**; and
- b. Loss from damage to a safe or vault.

4. Money Operated Devices

Loss of **Money, Securities or Other Property** contained in any money operated device unless the amount of **Money** deposited in it is recorded by a continuous recording instrument in the device.

5. Motor Vehicles or Equipment and Accessories

Loss of or damage to motor vehicles, trailers or semi-trailers or equipment and accessories attached to them.

6. Transfer or Surrender

Loss of or damage to **Money, Securities or Other Property** after it has been transferred or surrendered to a person or place outside the **Premises or Banking Premises**:

- a. On the basis of unauthorized instructions;
- b. As a result of a threat to do bodily harm to any person;
- c. As a result of a threat to do damage to **Money, Securities or Other Property**;
- d. As a result of a threat to introduce a denial of service attack into the **Insured's Computer System**;
- e. As a result of a threat to introduce a virus or other malicious instruction into the **Insured's Computer System** which is designed to damage, destroy or corrupt data or **Computer Programs** stored within the **Insured's Computer System**;
- f. As a result of a threat to contaminate, pollute or render substandard the **Insured's** products or goods; or
- g. As a result of a threat to disseminate, divulge or utilize:
 - 1) The **Insured's** confidential information; or

2) Weaknesses in the source code within the **Insured's Computer System**.

However, this Exclusion does not apply with respect to Insuring Agreement I.D. Transit Coverage, to loss of **Money, Securities** or **Other Property** while outside the **Premises** in the care and custody of a **Messenger**, if the **Insured**:

- a) Had no knowledge of any **Threat** at the time the conveyance began; or
- b) Had knowledge of a **Threat** at the time the conveyance began, but the loss was not related to the **Threat**.

7. Vandalism

Loss from damage to the **Premises** or its exterior, or to any safe, vault, cash register, cash box, cash drawer or **Other Property** by vandalism or malicious mischief.

8. Voluntary Parting

Loss resulting from the **Insured** or anyone acting on the **Insured's** express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any **Money, Securities** or **Other Property**.

D. For the purpose of Insuring Agreement I.E. Computer Crime, this Coverage Part shall not cover:

1. Credit Card Transactions

Loss resulting from the use or purported use of credit, debit, charge, access, convenience, identification, stored-value or other cards or the information contained on such cards.

2. Funds Transfer Fraud

Loss resulting from a **Fraudulent Instruction** directing a financial institution to transfer, pay or deliver **Money** or **Securities** from the **Insured's Transfer Account**.

3. Inventory Shortages

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

- a. An inventory computation; or
- b. A profit and loss computation.

E. For the purpose of Insuring Agreement I.F. Funds Transfer Fraud, this Coverage Part shall not cover loss resulting from the use of a computer to fraudulently cause a transfer of **Money, Securities** or **Other Property**.

V. **LIMIT OF LIABILITY**

- A. Regardless of the number of **Insureds**, the most the **Insurer** will pay for each loss is the applicable Limit of Liability set forth in Item 3. of the Crime Declarations.
- B. If a direct loss is covered under more than one Insuring Agreement, the maximum the **Insurer** will pay for such loss shall not exceed the largest Limit of Liability applicable under any such Insuring Agreements.
- C. All loss resulting from a single act or any number of acts of the same **Employee** or **Third Party**, and all loss whether such act or acts occurred before or during the **Policy Period**, will be treated as a single loss and the applicable Limit of Liability set forth in Item 3. of the Crime Declarations will apply, subject to Section XI. Liability for Prior Losses.
- D. All loss covered under Insuring Agreement I.E.2. shall be part of, and not in addition to, the Limit of Liability for Insuring Agreement I.E.1.

- E. All loss covered under Insuring Agreement J. shall be part of, and not in addition to, the Limit of Liability for the applicable Insuring Agreement as set forth in Item 3. of the Crime Declarations.
-

VI. RETENTION

- A. The **Insurer's** liability under this Coverage Part applies only to that part of loss which is excess of the applicable Retentions stated in Item 3. of the Crime Declarations.
- B. If a loss is subject to different Retentions, in different Insuring Agreements, the applicable Retentions will be applied separately to each part of such loss but the sum of such Retentions shall not exceed the largest applicable Retention.
- C. If an **Insured** receives payment under another policy or bond, after applying a deductible or retention for loss also covered under this Coverage Part, then the applicable Retention set forth in Item 3. of the Crime Declarations shall be reduced by the deductible or retention previously applied to such loss.
- D. If a loss is covered under Insuring Agreements E.1. and E.2., then only the Retention for a loss under Insuring Agreement E.1. shall be applicable.
-

VII. DISCOVERY AND PROOF OF LOSS

- A. Knowledge possessed by any **Insured** or **Discovery** by any **Insured** shall be deemed knowledge possessed by or **Discovery** by all **Insureds**.
- B. Upon **Discovery**, the **Named Insured** shall provide the **Insurer** with written notice of any loss or potential loss as soon as practicable, but in no event later than one hundred eighty (180) days after an **Executive**, chief information officer or any person responsible for the management of the **Insured's** insurance claims, or any equivalent position, **Discovers** such loss or potential loss. The **Named Insured** shall:
1. Furnish to the **Insurer** proof of loss, duly sworn to, with full particulars, within one hundred eighty (180) days after **Discovery**.
 2. Submit to examination under oath at the **Insurer's** request;
 3. Produce for the **Insurer's** examination all pertinent records; and
 4. Cooperate with the **Insurer** in the investigation and settlement of any loss or claim.
-

VIII. ADDITIONAL PREMISES OR EMPLOYEES

If, during the **Policy Period**, the **Insured** 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 Coverage Part. Notice to the **Insurer** of an increase in the number of **Premises** or **Employees**, which did not result from a consolidation, merger, purchase or acquisition of another entity, need not be given and no additional premium need be paid for the remainder of the **Policy Period** shown in the Crime Declarations.

IX. EMPLOYEE BENEFIT PLANS

- A. If any **Employee Benefit Plan** is insured jointly with any other **Employee Benefit Plan** under this Coverage Part, the **Insured** or the Plan Administrator must select a Limit of Liability for Insuring Agreement I.B. of this
-

Coverage Part that is sufficient to provide a Limit of Liability for each **Employee Benefit Plan** that is at least equal to that required by ERISA if each **Employee Benefit Plan** were separately insured. Then, if at the time a loss is discovered the Limit of Liability is not equal to or greater than that required by ERISA, the **Insurer** agrees to automatically increase the Limit of Liability to equal the amount required under ERISA.

- B. If the **Named Insured** is an entity other than an **Employee Benefit Plan**, any payment the **Insurer** makes for loss sustained by any **Employee Benefit Plan** will be made to the **Employee Benefit Plan** sustaining the loss.
 - C. If two or more **Employee Benefit Plans** are **Insureds** under this Coverage Part, any payment for loss:
 - 1. Sustained by two or more **Employee Benefit Plans**; or
 - 2. Of commingled **Money, Securities** or **Other Property** of two or more **Employee Benefit Plans**;will be made to each **Employee Benefit Plan** sustaining loss in the proportion that the Limit of Liability required for each **Employee Benefit Plan** bears to the total Limit of Liability of all **Employee Benefit Plans** sustaining loss.
 - D. No retention shall apply to loss sustained by an **Employee Benefit Plan** covered under this Coverage Part.
-

X. DISCOVERY BASIS

Subject to Section VIII. Change in Control or Exposure of the Common Policy Terms and Conditions and Section XI. Liability for Prior Losses of this Coverage Part, coverage under this Coverage Part is available for loss sustained at any time and **Discovered** during the **Policy Period**.

XI. LIABILITY FOR PRIOR LOSSES

If this Coverage Part replaces a policy that provided the **Insured** with an extended period of time after termination in which to discover loss and which did not terminate at the time this Coverage Part became effective the **Insurer** will not pay for loss that occurred during the **Policy Period** of that prior policy which is **Discovered** by the **Insured** during the extended period to **Discover** loss, unless the amount of loss exceeds the limit of liability and retention amount of that prior policy. In such case, the **Insurer** will pay for the excess loss subject to the terms and conditions of this Coverage Part. Any payment the **Insurer** makes for the excess loss will not be greater than the difference between the limit of liability and retention amount of that prior policy and the Limit of Liability shown in Item. 3. of the Crime Declarations. The **Insurer** will not apply the Retention shown in the Crime Declarations to this excess loss.

XII. OWNERSHIP

- A. Except as stated in XIII.B. below, **Money, Securities** and **Other Property** covered under this Coverage Part applies only to **Money, Securities** and **Other Property** owned or leased by an **Insured** or for which the **Insured** is legally liable and provided that coverage shall only apply to damage to **Premises** if the **Insured** is the owner or is legally liable for such damage.
 - B. With respect to Insuring Agreement I.A.3, Client Property, **Money, Securities** and **Other Property** covered under this Coverage Part applies only to **Money, Securities** and **Other Property** that a **Client** owns or leases or for which the **Client** is legally liable while the **Money, Securities** and **Other Property** is inside the **Client's Premises**.
-

XIII. VALUATION AND SETTLEMENT

The **Insurer** shall pay:

- A. The actual market value of lost, damaged or destroyed **Securities** at the closing price of such **Securities** on the business day immediately preceding the day on which a loss is **Discovered**; or the cost of replacing **Securities**, whichever is less, plus the cost to post a Lost Instrument Bond;
 - B. The cost of blank books, pages or tapes or other blank materials to replace lost or damaged books of account or other records;
 - C. The least of:
 - 1. The actual cash value of the **Other Property**; or
 - 2. The cost to repair or replace property, other than precious metals, with that of similar quality and value, at the time the Parent Organization complies with Section VII. Discovery and Proof of Loss, regarding the furnishing of proof of loss;
 - D. The United States of America dollar value of **Money** of the country in which the loss or damage occurred as determined by the rate of exchange published in The Wall Street Journal on the day the loss is **Discovered**.
 - E. The United States of America dollar value of any precious metals as determined by The Wall Street Journal Cash Prices, Precious Metals, on the day loss involving such precious metals is **Discovered**.
-

XIV. REPRESENTATIONS

The declarations and statements in the **Application** for this Coverage Part are representations and the **Insurer** has relied on such representations when issuing this Coverage Part. Such representations are incorporated into and constitute part of this Coverage Part.

XV. TERMINATION OF PRIOR BONDS OR POLICIES

Any prior bonds or policies issued by the **Insurer** or any subsidiary or affiliate of the Hanover Insurance Company shall terminate, if not already terminated, as of the inception of this Coverage Part.

XVI. RESCINDABILITY

The **Insurer** shall not be entitled under any circumstances to void or rescind this Policy with respect to any **Insured**.

Coverage Part: Crime

Endorsement Number: 1

Issued To: THE CITADEL

Policy Number: BD6-D811023-01

Issued By: The Hanover Insurance Company

Effective Date: 01/23/2022

FALSE PRETENSES COVERAGE

In consideration of the premium charged it is agreed that:

A. Item 3. of the Crime Declarations is amended to include:

Insuring Agreement

False Pretenses

Limits of Liability

\$100,000

Retentions

\$50,000

B. Section I. Insuring Agreements is amended to include:

False Pretenses

The **Insurer** will pay the **Insured** for direct loss of **Money** or **Securities** resulting from **False Pretenses** directing an **Employee** to transfer, pay or deliver **Money** or **Securities** subject to the Limit of Liability and Retention stated above. However, this insuring agreement does not apply to any loss of **Other Property** resulting from **False Pretenses**.

C. For the purposes of the coverage provided by this endorsement, Section III. Definitions is amended to include:

False Pretenses means the fraudulent misrepresentation of a material fact, including but not limited to social engineering, pretexting, phishing, spear phishing or any other confidence trick, by a person purporting to be an **Employee**, **Vendor** or **Client**, to an **Employee** who is authorized by an **Insured Entity** to transfer **Money** or **Securities** or instruct another **Employee** to transfer **Money** or **Securities**.

Vendor means a natural person or entity that has provided goods or services to an **Insured Entity** pursuant to a written agreement or other arrangement. **Vendor** does not mean a financial institution, bank, credit union, asset manager, broker-dealer, or any other financial institution, an armored motor vehicle company or any similar entity.

D. For the purpose of coverage provided by this endorsement, Section IV. Exclusions, paragraph C.8. is deleted in its entirety.

E. For the purpose of coverage provided by this endorsement, Section IV. Exclusions is amended to include:

1. **Funds Transfer Fraud**

Direct loss of **Money** or **Securities** resulting from a **Fraudulent Instruction** directing a financial institution to transfer, pay or deliver **Money** or **Securities** from the **Insured Transfer Account**.

2. **Computer Fraud**

Direct loss sustained by the **Insured** of **Money**, **Securities** and **Other Property** resulting directly from **Computer Fraud**.

F. The most the **Insurer** will pay for coverage provided under this endorsement is the Limit of Liability amount shown above, which shall be excess of the applicable retention amount indicated above.

All other terms and conditions remain unchanged. The title and any headings in this endorsement are solely for convenience and form no part of the terms and conditions of coverage.

Coverage Part: Crime

Endorsement Number: 2

Issued To: THE CITADEL

Policy Number: BD6-D811023-01

Issued By: The Hanover Insurance Company

Effective Date: 01/23/2022

CRIME ENHANCEMENT ENDORSEMENT

In consideration of the premium charged it is agreed that:

Amend Client Property Insuring Agreement

Section I.A.3. Client Property is deleted and replaced with the following:

3. Client Property

The **Insurer** will pay the **Insured** for direct loss of or damage to **Money, Securities and Other Property** sustained by the **Insured's Client** resulting from **Theft** committed by an identified **Employee**.

Amend Definition of Employee (Days After Termination)

Section III.A.1. of the definition of **Employee** is deleted and replaced with the following:

A. Any natural person:

1. While in the **Insured's** service and for the first ninety (90) days immediately after termination of service, unless such termination is due to **Theft** or any other dishonest act committed by the **Employee**;

Amend Definition of Employee (Include Independent Contractors)

A. Section III. Definitions, the definition of **Employee** is amended to include the following:

Any natural person or independent contractor performing acts within the usual scope of duties of an **Employee** and while under the exclusive direction of an **Insured Entity** pursuant to a written contract.

B. Section III. Definitions, the last sentence of the definition of **Employee** is deleted and replaced by:

However, **Employee** does not include any agent, broker, factor, commission merchant, consignee or representative of the same general character.

Amend Definition of Computer Fraud

Section III. the definition of **Computer Fraud** is deleted and replaced with the following:

Computer Fraud means the use of any computer to fraudulently cause a transfer of **Money, Securities or Other Property** from inside the **Premises** or **Banking Premises**:

1. To a person (other than a **Messenger**) outside the **Premises** or **Banking Premises**; or

All other terms and conditions remain unchanged. The title and any headings in this endorsement are solely for convenience and form no part of the terms and conditions of coverage.

Coverage Part: Crime

Endorsement Number: 2

Issued To: THE CITADEL

Policy Number: BD6-D811023-01

Issued By: The Hanover Insurance Company

Effective Date: 01/23/2022

2. To a place outside the **Premises** or **Banking Premises**.

Amend Prior Dishonesty Exclusion

Section IV.A.2. Prior Dishonesty exclusion is deleted and replaced with the following:

2. Prior Dishonesty

Loss caused by an **Employee** which is sustained by the **Insured** after an **Executive** becomes aware of a **Theft** or any other dishonest or criminal act which is:

- a. Valued at one thousand (\$1,000) or more, committed by such **Employee** while employed with or in the service of an **Insured**;
- b. Valued at twenty-five thousand (\$25,000) or more, committed by such **Employee** prior to employment or service with an **Insured**; or
- c. Committed more than ninety (90) days following the termination of such **Employee**.

Amend Discovery and Proof of Loss (Specific Positions)

Section VII.B. of Discovery and Proof of Loss, is deleted and replaced with the following:

- B. Upon **Discovery**, the **Named Insured** shall provide the **Insurer** with written notice of any loss or potential loss as soon as practicable, but in no event later than one hundred eighty (180) days after the Risk Manager, Human Resources Manager or General Counsel, or any equivalent position, **Discovers** such loss or potential loss. The **Named Insured** shall:
1. Furnish to the **Insurer** proof of loss, duly sworn to, with full particulars, within one hundred eighty (180) days after **Discovery**.
 2. Submit to examination under oath at the **Insurer's** request;
 3. Produce for the **Insurer's** examination all pertinent records; and
 4. Cooperate with the **Insurer** in the investigation and settlement of any loss or claim.

Amend Acquisition Threshold (Acquisition of Another Organization)

Only as pertains to this endorsement, Section VIII.C. of Change in Control or Exposure of the Common Policy Terms and Conditions is deleted and replaced with the following:

C. Acquisition of Another Organization

If before or during the **Policy Period** the **Insured Entity** acquires the voting rights of another entity such that the acquired entity becomes a **Subsidiary**, then coverage for such **Subsidiary** and its **Insureds** shall be provided but only for **Claims** for **Wrongful Acts** after the date such entity became a **Subsidiary**.

All other terms and conditions remain unchanged. The title and any headings in this endorsement are solely for convenience and form no part of the terms and conditions of coverage.

Coverage Part: Crime

Endorsement Number: 2

Issued To: THE CITADEL

Policy Number: BD6-D811023-01

Issued By: The Hanover Insurance Company

Effective Date: 01/23/2022

If during the **Policy Period** the **Insured Entity** acquires another entity and at the time of such acquisition the entity becomes a **Subsidiary** (or would have but for its absorption into the **Insured**) and the total assets of the acquired entity exceeded fifty percent (50 %) of the **Insured Entity** as of the beginning of the **Policy Period**, then the **Named Insured** shall agree to any amendments to the terms of this Policy, including, but not limited to, any additional premium the **Insurer** may require.

All other terms and conditions remain unchanged. The title and any headings in this endorsement are solely for convenience and form no part of the terms and conditions of coverage.



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To view a specific section of your policy, use the interactive Table of Contents or the Bookmark tool which can be enabled on the left side of the Adobe Reader app.

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7700 Wisconsin Ave #500
Bethesda, MD 20814

(301) 907-4908
www.ue.org

Charleen Howarth
Arthur J. Gallagher Risk Management Services
P.O. Box 2860
Greenville, SC 29602

02/08/2023

Re: Member Name: The Citadel, The Military College of South Carolina
 Policy Number: D16-42L
 Included Coverage: Educators Legal Liability
 Policy Period: 01/23/2023 - 01/23/2024

Dear Charleen,

Enclosed are the United Educators coverage documents for your insured. Please review to confirm the coverage is provided as requested.

We appreciate your confidence in placing coverage with United Educators. We look forward to serving our mutual client during the coming year.

Sincerely,

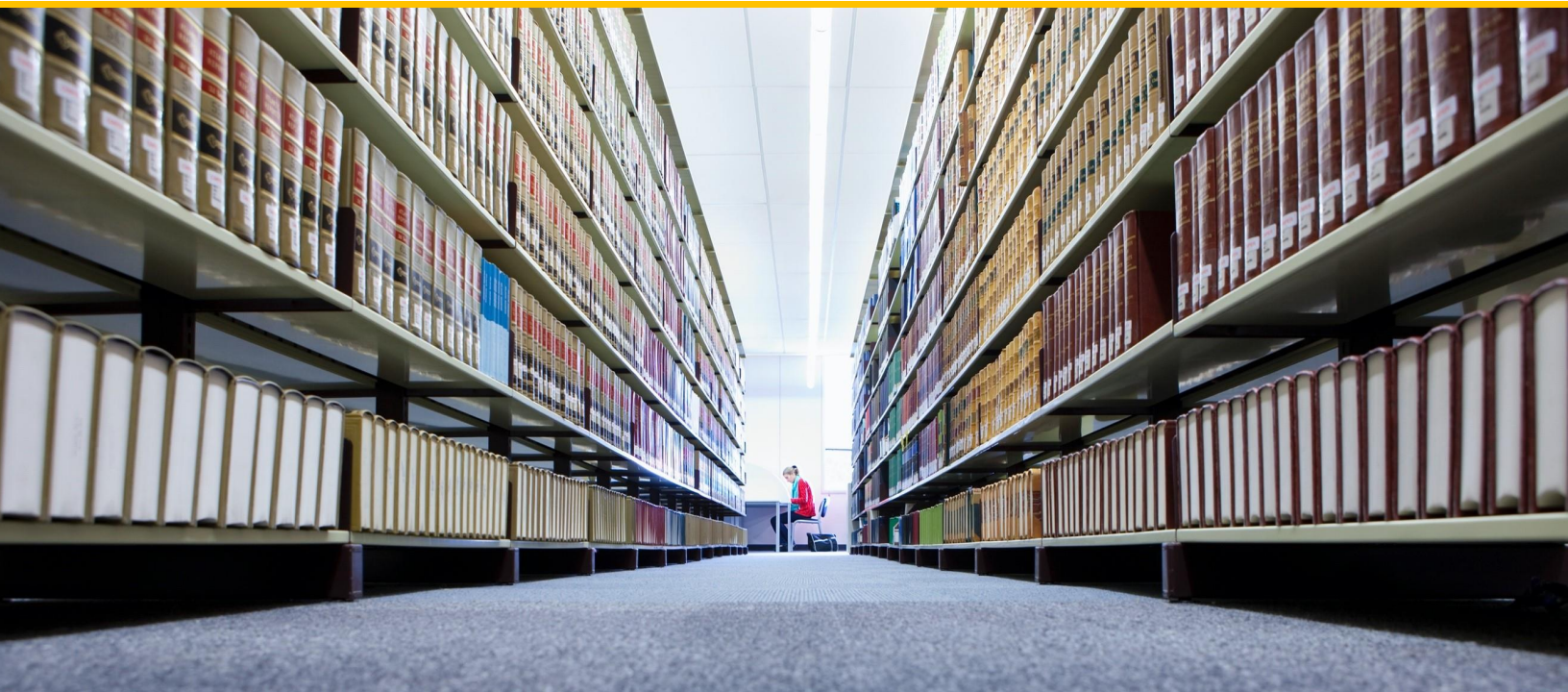
Daniel Connell

Daniel Connell
Senior Underwriter
United Educators
(240) 235-6269 | dconnell@ue.org
www.ue.org

Liability Insurance Policy Package for:

**The Citadel, The Military College of
South Carolina**

D16-42L 01/23/2023 to 01/23/2024





The Citadel, The Military College of South Carolina

Policy Number: D16-42L | **Policy Period:** 01/23/2023 - 01/23/2024

Product Summary

Educational Organization:
Address:

The Citadel, The Military College of South Carolina
171 Moultrie Street
Charleston, SC 29409

Policy Period:

01/23/2023 to 01/23/2024
12:01 A.M. at the address stated above.

Policy Number:

D16-42L

Product	Premium	Paid-in Surplus Contribution	Risk Management Premium Credit	Final Premium
ELL (Educators Legal Liability)	\$121,907	\$0	\$0	\$121,907

Total Coverage Premium: \$121,907

Premium Tax: \$0

Paid-in Surplus Contribution: \$0

Package Total Due: \$121,907

This insurance is subject to the provisions, stipulations, conditions and exclusions contained in the policy form as well as other provisions, stipulations, conditions and exclusions as may be endorsed or added thereto (collectively hereinafter referred to as the "Policy").

Issued by: United Educators Insurance, a Reciprocal Risk Retention Group



The Citadel, The Military College of South Carolina

Policy Number: D16-42L | **Policy Period:** 01/23/2023 - 01/23/2024

BROKER INFORMATION DISCLOSURE STATEMENT

As a member owned company, United Educators believes it is important to provide its policyholders, whose brokers receive compensation through commissions paid by United Educators, with the amount of those commissions as of the Policy Effective Date:

Product	Brokerage	Brokerage Address	Commission
Educators Legal Liability	Arthur J. Gallagher Risk Management Services	P.O. Box 2860 Greenville, SC 29602	\$0

Terrorism Risk Insurance Act Disclosure Statement

1. The following disclosure statements applies to General Liability products and Management Liability products included in this Policy:
 - The Terrorism Risk Insurance Act of 2002, as amended in 2015, allows for any covered losses caused by certified “acts of terrorism” to be partially reimbursed by the United States government under a formula established by federal law. Under this formula, the United States government pays 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019; 80% beginning on January 1, 2020 of covered terrorism losses exceeding a statutorily established deductible paid by **us**. No compensation will be paid under the Act unless the aggregate industry insured losses resulting from certified “acts of terrorism” exceed \$100 million with respect to such insured losses occurring in calendar year 2015, \$120 million for calendar year 2016 losses, \$140 million for calendar year 2017 losses, \$160 million for calendar year 2018 losses, \$180 million for calendar year 2019 losses, and \$200 million for calendar year 2020 losses.
 - The Act, as amended, contains a \$100 billion cap that limits U.S. Government reimbursement as well as insurers’ liability for losses resulting from certified acts of terrorism when the amount of such losses exceeds \$100 billion in any one calendar year. If the aggregate insured losses for all insurers exceed \$100 billion, available coverage may be reduced.
 - The definition of certified “acts of terrorism” has changed. Certified “acts of terrorism” *as defined in Section 102(1) of the Act* as amended mean any acts certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism; i.e. to be a violent act or an act that is dangerous to human life, property; or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of an air carrier or vessel or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States government by coercion.
 - Some acts of terrorism are not covered under this Policy – please read this Policy and all endorsements carefully.
2. The portion of the premium charge for this Policy that is attributable to coverage for certified acts of terrorism is: \$0.00.

Educators Legal Liability

The Citadel, The Military College of South Carolina

D16-42L

01/23/2023 to 01/23/2024



TM



The Citadel, The Military College of South Carolina

Effective: 01/23/2023 | Policy Number: D16-42L | ELL: 2023

Policy No. D16-42L

NOTICE

THIS POLICY IS ISSUED BY YOUR RISK RETENTION GROUP. YOUR RISK RETENTION GROUP MAY NOT BE SUBJECT TO ALL OF THE INSURANCE LAWS AND REGULATIONS OF YOUR STATE. STATE INSURANCE INSOLVENCY GUARANTY FUNDS ARE NOT AVAILABLE FOR YOUR RISK RETENTION GROUP.

EDUCATORS LEGAL LIABILITY INSURANCE POLICY CLAIMS-MADE BASIS DECLARATIONS

- Item A. **Educational Organization:** The Citadel, The Military College of South Carolina
Address: 171 Moultrie Street
Charleston, SC 29409
- Item B. **Policy Period:** 01/23/2023 to 01/23/2024
12:01 A.M. at the address stated in Item A above.
- Item C. **Limits of Liability:**
- | | |
|--------------|-------------------|
| \$ 8,000,000 | Each Claim |
| \$ 8,000,000 | Annual Aggregate |
- Item D. **Self-Insured Retentions** (including **Defense Costs**):
- | | |
|-------------------|---|
| i. \$ 0 | Governing Board Directors, Trustees , or Officers , who cannot be lawfully Indemnified - Per Claim |
| ii. \$ 1,000,000 | Wrongful Employment Practices - Per Claim |
| iii. \$ 1,000,000 | Each Other Claim |
- Item E. **Premium:** \$121,907
- | | |
|--|-----------|
| Risk Management Premium Credit (RMPC): | (\$0) |
| Premium Due: | \$121,907 |
| Premium Tax: | \$0 |
| Paid-in Surplus Contribution: | \$0 |
| Total: | \$121,907 |
- Item F. **Date of First Coverage:** 01/23/2019
12:01 A.M. at the address stated in Item A above.
- Item G. Defense Counsel Provision: Approved
- Item H. Applicable Initial Schedules:
- | | |
|--------------|---|
| Form: | Educators Legal Liability Insurance Policy (Claims-Made Form) |
| Schedule(s): | ELL - Schedule A |

Item I. Applicable Initial Endorsements:

Educators Legal Liability attached Endorsements

Endorsement	Total	Description
ELL510D	1	ELL - Modified Definition of Damages (Punitive Damages)
ELL518D	1	Defense Cost Hourly Rate
ELL532D	1	ELL - Amended Defense Provision (Defense Cost Reimbursement)
ELL794E	1	ELL - Accreditation Exclusion (Individual Programs)
ELL861C	1	Amended Wrongful Act Exclusion (Exception for Defense Costs)
ELL969E	1	Other Insurance (The Citadel)

Item J. Representative of **Educational Organization**: Mark Brandenburg



The Citadel, The Military College of South Carolina

Effective: 01/23/2023 | Policy Number: D16-42L | ELL: 2023

BROKER COMMISSION DISCLOSURE

As a member owned company, United Educators believes it is important to provide its policyholders, whose brokers receive compensation through commissions paid by United Educators, with the amount of those commissions:

Item K. Broker Commission: \$0
Broker commission in Item K., if any is included in Item E., Premium.

This insurance is subject to the provisions, stipulations, conditions and exclusions contained in the policy form as well as other provisions, stipulations, conditions and exclusions as may be endorsed or added thereto (collectively hereinafter referred to as the "Policy").

Issued by: United Educators Insurance, a Reciprocal Risk Retention Group


Authorized Representative



The Citadel, The Military College of South Carolina

Effective: 01/23/2023 | Policy Number: D16-42L | ELL: 2023

SCHEDULE A

INCLUDED ENTITIES

Subsidiary and Affiliated Entities of the **Educational Organization**

None

In consideration of the premium charged, **we** agree with the **Educational Organization** that this Policy does not apply to, and **we** will not be liable for **Loss** related to or arising out of, the insolvency or bankruptcy of any **Included Entity** that is set forth above and has not qualified as a not-for-profit entity under applicable provisions of the Internal Revenue Code.

All other Policy provisions remain the same.

**MODIFIED DEFINITION OF DAMAGES
(Punitive Damages)**

In consideration of the premium charged and subject to all other provisions of this Policy, **we** agree with the **Educational Organization** that subparagraph d. of the definition of **Damages** in Paragraph 2. of this Policy is amended to read:

- d. punitive or multiplied damages, or penalties imposed under any laws other than
 - (1) civil penalties awarded as compensation to an injured party and measured by actual damages; or
 - (2) where lawfully insurable, punitive or multiplied damages; or

All other Policy provisions remain the same.



Authorized Representative



DEFENSE COST HOURLY RATE

In consideration of the premium charged, and subject to all other provisions of this Policy, **we** agree with the **Educational Organization** that in accordance with Paragraph 8 *Approved Defense Counsel* Provision of this Policy, **we** will credit towards the **Self-Insured Retention** and pay after the **Self-Insured Retention** is exhausted, **Defense Costs** not exceeding \$400 per hour.

All other Policy provisions remain the same.

**AMENDED DEFENSE PROVISION
(Defense Cost Reimbursement)**

In consideration of the premium charged and subject to all other provisions of this Policy, **we** agree with the **Educational Organization** that Paragraph 12. of this Policy is amended to read:

12. **We** will not settle any **Claim** without the agreement of the **Insured**. If the **Insureds** refuse to consent to a reasonable settlement **we** recommend that is acceptable to a claimant, **our** liability for **Loss** for that **Claim** is limited to the amount of **Damages** for which the **Claim** could have been settled and **Defense Costs** incurred by **us** or with **our** consent up to the date of such refusal. However, if the **Insured** decides to continue providing a defense for such **Claims** where **we** have recommended a reasonable settlement that is acceptable to a claimant and achieves a defense verdict, **we** will reimburse the **Insured** for 25% of the **Defense Costs** incurred from the time **we** recommended such settlement through the final adjudication of that **Claim**.

All other Policy provisions remain the same.



Authorized Representative



ACCREDITATION EXCLUSION (Individual Programs)

In consideration of the premium charged, and subject to all other provisions of this Policy, **we** agree with the **Educational Organization** that:

This Policy does not apply to, and we will not be liable for **Loss**, associated with any **Claim** related to or arising out of, in part or in whole, accreditation or the failure to achieve or maintain accreditation, including any actual or implied promise, representation or commitment with respect to accreditation, with regards to the following program:

Nursing Programs

All other Policy provisions remain the same.


Authorized Representative

**AMENDED WRONGFUL ACT EXCLUSION
(Exception for Defense Costs)**

In consideration of the premium charged and subject to all other provisions of this Policy, **we** agree with the **Educational Organization** that

Exclusion 15.c. of this Policy is amended to read:

- c. any **Wrongful Act** committed by any **Insured** with the knowledge that it was unlawful or with the intent to harm or injure (the knowledge or intent of an **Individual Insured** shall not be imputed to any other **Insured**, except that the knowledge or intent of a **Reporting Officer** acting in his or her official capacity shall be imputed to the **Included Entity**);
Exception: This exclusion shall not apply to **Defense Costs** incurred prior to a final, non-appealable adjudication or any settlement of a **Claim**;

All other Policy provisions remain the same.



Authorized Representative

**OTHER INSURANCE
(The Citadel)**

In consideration of the premium charged and subject always to all other provisions of this Policy, **we** agree with the **Educational Organization** that

In accordance with the provisions of Paragraph 28, this Policy shall at all times be excess over and shall not contribute with or be subject to the conditions of the following insurance policy:

Insurer:	Insurance Reserve Fund (IRF)
Policy No.:	T120010018
Type of Insurance:	General Liability
Defense Obligation:	Duty to Defend
Policy Limit:	\$1,000,000 per Occurrence No General Aggregate
Policy Period:	12/16/18 – 12/16/19 and future renewal of coverage

All other Policy provisions remain the same.



Authorized Representative

**United Educators Insurance, a Reciprocal Risk Retention Group
Educators Legal Liability Insurance Policy
(Claims-Made Form)**

(The words "**we**," "**us**," and "**our**," when used in this Policy, refer to United Educators Insurance, a Reciprocal Risk Retention Group, the "Company" issuing this Policy of insurance.)

In consideration of the payment of the premium, in reliance on the statements made and information furnished to **us** in the application and its attachments, and subject to the **Limit of Liability**, exclusions, definitions, conditions and other provisions of this Policy, **we** agree with the **Educational Organization** that:

INSURING AGREEMENT

1. **We** will pay on behalf of the **Insureds** that amount of **Loss** that exceeds the **Self-Insured Retention** up to the **Limit of Liability** as a result of a **Wrongful Act** anywhere for which a **Claim** is first made against an **Insured** during the **Policy Period** and reported to **us** as required by this Policy.

DEFINITIONS

2. This Policy is subject to the following definitions:

Child Molestation means any actual or alleged sexual conduct with a minor.

Claim means written notice to an **Insured** of the intent to hold the **Insured** liable for the results of a **Wrongful Act**. *[For example, written notices may come in the form of letters from attorneys, demands for arbitration, lawsuits or complaints filed with the Equal Employment Opportunity Commission (EEOC), or equivalent state civil rights enforcement agency.]* **Claim** does not mean investigations, audits or requests for information from government entities or others, including but not limited to accrediting organizations, athletic associations and professional societies. A **Claim** is made at the time an **Insured** receives the first written notice of the **Claim**.

Computer System means any computer hardware, software or any components thereof that are or can be linked together through a network of two or more devices accessible through the Internet, internal network or connected with data storage or other peripheral devices (including, without limitation, telephones, wireless and other mobile devices), as well as any cloud computing or other resources operated by a third party service provider.

Damages means money compensation that an **Insured** becomes legally obligated to pay as a result of a **Wrongful Act** and includes settlements to which **we** have consented.

However, **Damages** does not include:

- a. any amount for which an **Insured** was already obligated at the time of a **Wrongful Act** including any amount that an **Insured** is obligated to pay under the terms of any contract or agreement, or would have been obligated to pay had that contract remained in effect;
Exception: Paragraph a. of the Definition of **Damages** shall not apply to **Wrongful Acts** arising out of the denial of tenure to a tenure-track faculty member;
- b. the value of tuition or scholarships;
- c. taxes or fines;
- d. punitive or multiplied damages, or penalties imposed under any laws other than
 - (1) civil penalties awarded as compensation to an injured party and measured by actual damages; or

(2) where lawfully insurable, punitive or multiplied damages limited to \$1,000,000; or
e. the cost of compliance with injunctive or other non-monetary relief.
*For example, certain **Damages**, subject to all other terms and conditions of this Policy, may be covered by this Policy:*

- o *Back pay (under any statute providing for back pay);*
- o *Front pay (if it meets the standards for awarding front pay by a court or governmental administrative body);*
- o *Other economic damages resulting from covered **Claims**, except amounts owed under contract;*
- o *Emotional distress resulting from discrimination against third parties except students;*
- o *Willful damages under the federal Age Discrimination in Employment Act, FMLA or Equal Pay Act;*
- o *Emotional distress arising out of a **Wrongful Employment Practice** involving an employee, former employee, or job applicant;*
- o *Costs awarded by a court against an **Insured**;*
- o *Attorneys' fees awarded pursuant to a statute providing fees to a prevailing party; or*
- o *Prejudgment and postjudgment interest*

Date of First Coverage means the date and hour listed in Item F of the Declarations.

Digital Data means any record, data, research, or information of any kind, including but not limited to **Financial Information**, **Health Information** or **Identifying Information**, that is stored on a **Computer System**.

Defense Costs means costs and expenses incurred by **us** or with **our** prior approval in defense of **Claims** and includes the cost of arbitration, mediation or other alternative dispute resolution process to which the **Insured** must submit or has submitted with **our** consent. **Defense Costs** does not include the wages or salary of any employee of an **Insured**.

Educational Organization means the entity named as such in Item A of the Declarations.

Employee Sexual Harassment means unwelcome sexual requests for sexual favors, or other verbal or physical conduct of a sexual nature when such conduct has the purpose or effect of unreasonably interfering with performance by, or creating an intimidating, hostile, or offensive environment for an employee of an **Included Entity**.

Extended Discovery Period means the extended period of time, if granted pursuant to Section 23 herein, for reporting **Claims**, during the 12-month period after the end of the **Policy Period** but only for a **Wrongful Act** taking place within the **Policy Period**.

Financial Information means an individual or organization's non-public financial data, regardless of how or where it is stored, including but not limited to credit card numbers, credit ratings, bank account numbers, bank account balances, or any other monetary facts that are used in billing, credit assessment, financial aid determinations, business transactions, or other financial activities.

Health Information means any information concerning an individual that would be considered "protected health information" or "electronic protected health information" within the Health Insurance Portability and Accountability Act of 1996 (as amended) (HIPAA) or the Health Information Technology for Economic and Clinical Health Act (HITECH Act), and their implementing regulations, or protected health-related information under any similar federal, state, local or foreign law.

Identifying Information means any information, regardless of how or where it is stored, that could potentially be used to distinguish or trace an individual's identity either alone or when combined with other personal or identifying information, such as a person's full name, date of birth, social security number, place of birth, government issued identification number, or biometric records.

Inception Date means the first date and hour listed in Item B of the Declarations.

Incident means any circumstance that the **Insured** believes may give rise to a **Claim**.

Included Entity means:

- a. the **Educational Organization**;
- b. any not-for-profit organization or entity over which the governing body of the **Educational Organization** exerts effective control and that is named in, and whose accounts are included with or consolidated into, the financial statements submitted to **us** most recently by the **Educational Organization** prior to the rating of the premium for the **Policy Period**; however, no entity or affiliate or subsidiary of any entity that has not qualified as a not-for-profit entity under applicable provisions of the Internal Revenue Code is an **Included Entity**, and no person or entity is an **Insured** with respect to such entity, unless that entity is listed on Schedule A;
- c. any entity listed on Schedule A of this Policy; and
- d. any not-for-profit entity acquired or formed by or merged with an **Included Entity** during the **Policy Period** provided that
 - (1) the value of the sum of all assets (including, but not limited to, real estate, securities, assumed indebtedness and other consideration) expended, assumed or exchanged for any such acquisition, formation or merger does not exceed 5% of the total assets of the **Educational Organization** and its consolidated subsidiaries and affiliates as most recently reported to **us** for rating purposes prior to such **Policy Period**;
 - (2) the combined or consolidated operations and the acquired, formed or merged entity are not materially different from those of the **Included Entity** prior to the acquisition, formation or merger;
 - (3) coverage with respect to that newly formed, acquired or merged entity will begin on the date of acquisition, formation or merger, and there is no coverage for any entity acquired by or merged into the **Included Entity** or for any person with respect to that entity for **Wrongful Acts** committed prior to the date of acquisition or merger; and
- e. In addition to coverage provided in Item d. listed above, any newly formed, acquired or merged affiliates of the **Educational Organization**, shall be added as **Included Entities** to this Policy as of the effective date of their formation, incorporation or acquisition by the **Educational Organization**, provided
 - (1) they are reported to **us** within sixty (60) days of the date of their formation, incorporation or acquisition by the **Educational Organization** and
 - (2) are subsequently accepted for coverage by **us** and named on the Policy.

Individual Insureds means:

- a. past, present and future **Trustees**, governing board directors or **Officers** of an **Included Entity**; and
- b. at the option of the **Educational Organization**, any
 - 1) past, present and future employee, member of the faculty, student teacher, or teaching assistant of an **Included Entity**;
 - 2) member of a committee, including an Institutional Review Board (as recognized by the U.S. Food and Drug Administration and U.S. Department of Health and Human Services) of an **Included Entity**, or a representative to an education association of which the **Educational Organization** is a member;

- 3) uncompensated volunteer worker performing services on behalf and with the express direction and authority of, an **Included Entity**;
- 4) student of an **Educational Organization** while serving in a supervised internship program in satisfaction of course requirements; or
- 5) student of an **Educational Organization** while acting at the direction of, complying with policies and procedures governing conduct at, or performing services primarily for or on behalf of, the **Educational Organization**;

but only while acting within the scope of their duties or obligations in their respective capacities to an **Included Entity** as described in clause a. or b. above, and coverage for these individuals is subject always to all other terms and conditions of this Policy.

Insureds means the **Included Entities** and the **Individual Insureds**.

Joint Venture means a partnership agreement or joint operating agreement between an **Included Entity** and an entity that is not an **Included Entity** with respect to a common undertaking, enterprise or activity involving joint control.

Limit of Liability means the amounts stated in Item C of the Declarations and is the most **we** will pay for **Loss** respectively for each **Claim** and in the aggregate for all **Claims** first made during the **Policy Period**.

Loss means **Damages** and **Defense Costs**.

Non-Employee Sexual Harassment means unwelcome sexual advances, requests for sexual favors, or other verbal or physical conduct of a sexual nature when such conduct has the purpose or effect of unreasonably interfering with performance by, or creating an intimidating, hostile, or offensive environment for a student or person other than an employee of an **Included Entity**.

Officer means any corporate officer of an **Included Entity** whether or not an employee; and any president, chancellor, provosts, treasurer, vice presidents, deans, or other comparable senior administrators of any **Included Entity**.

Outside Entity means an entity which is not an **Included Entity** and which is:

- a. a corporation, foundation or other entity exempt from income tax under Section 501(c)(3) of the Internal Revenue Code, or
- b. listed on Schedule Z of this Policy.

Policy Period means the period from the **Inception Date** until the earlier of the last date and hour listed in Item B of the Declarations or the date and hour of cancellation of this Policy.

Professional Services means acts that may be legally performed only by a person holding a professional license, regardless of whether the person is licensed or not; or any services for which an **Individual Insured** is compensated by any party other than an **Included Entity**.

Reporting Officer means a position equivalent to any of the below of the **Educational Organization**:

- a. President, Chancellor or Head of School;
- b. Provost or Chief Academic Officer;
- c. VP of Finance, Chief Financial Officer, VP of Administration, or Chief Business Officer;
- d. VP of Legal Affairs or General Counsel; or
- e. VP of Student Affairs.

Secure Data means any:

- a. **Identifying information,**
- b. **Financial Information,**
- c. **Health Information,** or
- d. **Digital Data.**

Self-Insured Retention means the uninsured amount of **Loss** that the **Insureds** must first pay for each **Claim** before we pay **Loss** for that **Claim**.

Sexual Misconduct means any actual or alleged **Employee Sexual Harassment, Non-Employee Sexual Harassment, Child Molestation,** or any other sexual assault, sexual abuse, or wrongful sexual conduct.

Student Discipline Process means the policy, practice or procedure of training, response, investigation, handling, resolution or adjudication of allegations against a student, including without limitation **Sexual Misconduct,** regardless of whether it is handled in a formal Title IX process.

Trustee means any past, present or future member of the Board of Regents, Board of Trustees, Board of Governors or Board of Directors of the **Educational Organization** and includes the estates, heirs, legal representatives or assigns of any deceased, incompetent, insolvent or bankrupt member of the above, and spouses or domestic partners of any of the above to the extent they are involved in **Claims** solely because of their status as spouses or domestic partners.

Wrongful Act means any actual or alleged error, omission, act, misstatement, neglect or breach of duty in the discharge of duties to or on behalf of an **Included Entity**.

*[For example, for covered **Damages** and subject to all other terms and conditions of this Policy, following are **Wrongful Acts** that may be covered by this Policy:*

- o *unlawful discrimination or violation of civil rights; **Employee Sexual Harassment;** wrongful termination of employment;*
- o *failure to hire or promote, denial or removal of tenure; constructive discharge; breach of an individual employment contract;*
- o *failure to properly manage charitable trust services;*
- o *breach of fiduciary duty arising out of the management of an endowment;*
- o *peer review not arising out of the performance of medical services;*
- o *unlawful discrimination in the terms and conditions of employment;*
- o *failure to grant due process; educational malpractice or failure to educate, negligent instruction, failure to supervise, inadequate or negligent academic guidance or counseling, improper or inappropriate academic placement or discipline;*
- o *invasion of privacy or humiliation;*
- o *infringement of copyright, trademark or patent;*
- o *plagiarism or idea misappropriation; or*
- o *oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services, including any such publication to the Internet, in a book, newspaper or other publication of the **Educational Organization,** or broadcast over, a radio, cable or television station owned or operated by the **Educational Organization.**]*

Wrongful Employment Practice means a **Wrongful Act** arising out of the employment relationship.

SELF-INSURED RETENTION AND ORDER OF PAYMENTS

3. Only one **Self-Insured Retention** amount shall be applied to each **Claim** which amount shall be the largest of the applicable amounts determined under clauses a. or b. below. The **Self-Insured Retention** amount that applies:
 - a. to each **Claim** against a governing board director, **Trustee** or **Officer** who cannot be lawfully indemnified by the **Educational Organization** for that **Claim** is the amount stated in Item D(i) of the Declarations, and
 - b. to each **Claim** against any other **Insured**
 - (1) by or on behalf of an employee alleging a **Wrongful Employment Practice** is the amount specified in Item D(ii) of the Declarations; and
 - (2) for a **Wrongful Act** other than a **Wrongful Employment Practice** is the amount specified in Item D(iii) of the Declarations.
4. When the **Wrongful Acts** alleged by an individual are related so that they reasonably constitute one course of conduct, they shall be considered to give rise to a single **Claim** and only one **Self-Insured Retention** must be satisfied. **Wrongful Acts** alleged by different individuals shall be considered to give rise to separate **Claims** and separate **Self-Insured Retentions** must be satisfied for each individual's **Claim**.

Exception: Only a single **Self-Insured Retention** must be satisfied when (i) a class action administrative or judicial proceeding is pending, or (ii) it is established that a pattern or practice of discrimination or an **Insured's** institutional policy, practice or procedure affects more than one individual seeking to hold the **Insured** liable for the results of a **Wrongful Act**.
5. The **Educational Organization** agrees that in the event of a covered **Loss** that, in aggregate, exceeds the **Limit of Liability** of this Policy, we shall:
 - a. first pay such **Loss** on behalf of any covered **Individual Insureds** listed in part a. of that Definition;
 - b. then with respect to whatever remaining amount of **Limit of Liability** is available after payment of such **Loss**, pay any remainder on behalf of the **Educational Organization**.Nothing in this Paragraph shall be construed to increase the **Limit of Liability** available under this Policy.

PRE-CLAIM ADVICE CREDIT

6. If, at the option of the **Educational Organization**, an **Insured** obtains advice from counsel selected by us to assist the **Insured** with any **Incident**, and that **Incident** subsequently develops into a **Claim** that is reported to us in accordance with the provisions of this Policy, then the amounts expended by the **Insured** or the **Educational Organization** for the advice of such counsel shall reduce the **Self-Insured Retention** applicable to that **Claim**. The reduction of the **Self-Insured Retention** shall not exceed \$10,000 for any **Claim**.

LIMIT OF LIABILITY

7. Regardless of the number of **Insureds**, parties who sustain injuries, or **Claims** made on account of one or more **Wrongful Acts**:
 - a. our liability for **Loss** arising out of one **Claim** is limited to the amount stated in Item C of the Declarations as applicable to "Each **Claim**" (except to the extent that the Annual Aggregate limit has been exhausted by payment of **Loss**); and
 - b. our liability for all **Loss** arising out of all **Claims** first made during the **Policy Period** is limited to the amount stated in Item C of the Declarations as "Annual Aggregate."

DEFENSE AND SETTLEMENT

8. Either Select Defense Counsel or Approved Defense Counsel, as designated in Item G of the Declarations, applies to this Policy.

When Select Defense Counsel applies:

- a. **We** shall have the right to appoint counsel to defend **Claims** covered by this Policy as **we** deem necessary.
- b. As a condition precedent to their rights under this Policy with respect to any **Claim**, the **Educational Organization** and the **Insureds** shall fully cooperate with **us** and with defense counsel **we** appoint.
- c. The **Insured** shall pay **Loss** up to the **Self-Insured Retention** amount before **we** are obligated to pay **Loss**. **Defense Costs** that exceed the **Self-Insured Retention** will be paid by **us** subject to the **Limit of Liability**.
- d. After the **Limit of Liability** has been exhausted by the payment of **Loss**, **we** shall have no further obligation to any **Insured**.

When Approved Defense Counsel applies:

- a. The **Educational Organization** shall appoint counsel and defend **Claims**.
 - b. As a condition precedent to their rights under this Policy with respect to any **Claim**, the **Educational Organization** and the **Insureds** shall obtain **our** approval prior to appointing counsel, which approval **we** will not unreasonably withhold or delay, and revoke that counsel's appointment at **our** request; exercise their best efforts and act in good faith in defending **Claims**; keep **us** informed regularly on the conduct of the defense; and notify **us** immediately of any settlement demand or trial date.
 - c. The **Insureds** shall first pay **Loss** up to the **Self-Insured Retention** amount that applies to each **Claim** before **we** are obligated to pay **Loss** for that **Claim**. After the **Insureds** have paid the **Self-Insured Retention** amount, and subject to the **Limit of Liability**, **we** shall pay **Defense Costs** that exceed the **Self-Insured Retention** amount.
 - d. After the **Limit of Liability** has been exhausted by the payment of **Loss**, **we** shall have no further obligation to any **Insured**.
9. If more than one **Insured** is involved in any **Claim**, **we** may decline to appoint or approve separate counsel for the **Insureds** unless there is a material conflict of interest among them. Notwithstanding any other provision of this Policy, where there is a material conflict of interest among **Insureds** involved in a **Claim**, **we** shall have the right to appoint counsel to defend the **Individual Insureds** in that **Claim**. As a condition precedent to their rights under this Policy with respect to the **Claim**, the **Individual Insureds** shall fully cooperate with **us** and with defense counsel **we** appoint.
10. **Defense Costs** incurred by an **Insured** without **our** prior written consent (which **we** will not unreasonably withhold or delay), including any such costs incurred prior to written notice to **us** of a **Claim** and **our** appointment or approval of defense counsel, will not count toward the **Insureds' Self-Insured Retention** obligations and **we** will not be liable for any such costs.
11. No **Insured** shall admit any liability or, without **our** prior consent (which **we** will not unreasonably withhold or delay), make any payment, propose any settlement, settle any **Claim**, or incur any expense except for amounts for which no **Self-Insured Retention** satisfaction or payment is sought by the **Insured** under this Policy.

12. **We** will not settle any **Claim** without the agreement of the **Insured**. If the **Insureds** refuse to consent to a reasonable settlement **we** recommend that is acceptable to a claimant, **our** liability for **Loss** for that **Claim** is limited to the amount of **Damages** for which the **Claim** could have been settled and **Defense Costs** incurred by **us** or with **our** consent up to the date of such refusal.
13. **We** may appeal any judgment on behalf of the **Insureds**, but **we** are not obligated to do so. If **we** appeal any judgment, **we** will do so at **our** own cost and the **Insureds** agree to cooperate with **us** in that appeal. If **we** elect not to appeal, the **Insureds** may appeal at their own cost, but **our** liability for **Loss** shall not exceed the amount for which **we** were liable prior to such appeal.
14. If a single **Claim** involves both covered and uncovered elements, the **Insureds** and **we** agree to use **our** best efforts to determine a fair and proper allocation of **Loss** between the covered and non-covered elements of the **Claim**, taking into account the relative exposure presented by each element. **We** will be obligated to pay only that portion of **Loss** allocated to covered elements of **Claims** against **Insureds**. If the **Insureds** and **we** are unable to agree upon an allocation, **we** shall advance that portion of **Loss** which the parties agree is not in dispute until a different allocation is negotiated or judicially determined.

EXCLUSIONS

15. This policy does not apply to, and **we** will not be liable for **Loss** arising out of or related to:
 - a. any matter, fact or circumstance that, prior to the **Date of First Coverage**, was the subject of prior litigation, court order, settlement agreement, or notice to an insurer that attaches coverage for that **Claim** under any other policy for which this Policy is a renewal or replacement of;
 - b. any circumstance that any **Reporting Officer**, prior to the **Date of First Coverage**, had any reasonable basis to believe might lead to a **Claim**;
Exception: This exclusion shall not apply to any **Claim** first made more than three years after the **Date of First Coverage**;
 - c. any **Wrongful Act** committed by any **Insured** with the knowledge that it was unlawful or with the intent to harm or injure if a judgment or final adjudication establishes such knowledge or intent (the knowledge or intent of an **Individual Insured** shall not be imputed to any other **Insured**, except that the knowledge or intent of a **Reporting Officer** acting in his or her official capacity shall be imputed to the **Included Entity**);
 - d. the gaining of any illegal or unjust profit, remuneration or economic advantage, or the violation of any antitrust or unfair trade practices laws if a judgment or final adjudication establishes such gain or violation;
 - e. the administration of any employee benefit plan or any violation of the responsibilities, obligations or duties imposed by the Employee Retirement Income Security Act (ERISA) or any similar statute, regulation, ordinance, order or edict of any jurisdiction or political subdivision (whether or not in the United States);
 - f. any **Claim** brought against an **Insured** by or on behalf of an **Included Entity** or any entity that is a subsidiary of, under the control of, under common management or control with, or that manages or controls, an **Included Entity**; or any **Claim** by or on behalf of a **Joint Venture** or any owner, partner or participant in a **Joint Venture**;
 - g. performing or failing to perform any **Professional Services** other than:
 - (i) the education or teaching of students;
 - (ii) accounting services performed for the **Educational Organization** by an accountant who is an employee of the **Educational Organization**;
 - (iii) legal services performed by an attorney who is an employee of the **Educational Organization** while functioning as counsel to the **Educational Organization**;
 - (iv) charitable trust management performed for or on behalf of the **Educational Organization** by an employee of the **Educational Organization**; or

- (v) notary services performed by an employee of the **Educational Organization**;
- h. bodily injury, death, mental injury or emotional distress, shock, sickness, disease or disability from any cause including but not limited to assault and battery, **Sexual Misconduct**, or any negligence such as negligent hiring, training, retention, supervision or referral of employees, or negligent supervision of students;
 - Exception:** This exclusion shall not apply to mental injury or emotional distress:
 - (i) caused by or alleged to be caused by a **Wrongful Employment Practice** against an employee, former employee or job applicant, including **Employee Sexual Harassment**; or
 - (ii) alleged by any actual or alleged perpetrator of **Sexual Misconduct** as a consequence of any **Student Discipline Process**;
- i. physical injury to or destruction of tangible property or **Secure Data**, including loss of use if the loss of use results from the physical injury or destruction of the tangible property or **Secure Data**, loss of use of or diminished value of tangible property or **Secure Data** that has not been physically injured or destroyed, and consequential damage or evacuation loss resulting from any actual or threatened physical injury or destruction of tangible property or **Secure Data**;
- j. assault or battery;
- k. the formation, interpretation, or actual or alleged breach of any contract or agreement, whether written, oral or implied in fact or law;
 - Exception:** This exclusion shall not apply to **Claims** arising out of either an individual employment contract or a contract with a student for educational services;
- l. any violation of a collective bargaining agreement or of the National Labor Relations Act or any other similar law, statute, ordinance or regulation that governs labor-management relations;
- m. storage, disposal, discharge, dispersal, release, growth, or escape of bacteria, fungi (which includes, but is not limited to, any form or type of mold, mushroom, or mildew), spores (which includes any reproductive body produced by or arising out of fungi), smoke, vapors, soot, fumes, acids, alkalis, toxic substances, chemicals, liquids, gases, waste materials or other irritants, contaminants or pollutants of any kind into or upon land, in or into any building, or into the atmosphere or any watercourse or body of water whether above ground or underground, or in any other place; removal of or failure to remove asbestos or materials containing asbestos, lead or radon; radioactive materials or radioactive contamination; electromagnetic fields; or the failure to test for, cleanup, mitigate, protect or warn against, or monitor any of the above under any circumstances;
 - Exception:** This exclusion shall not apply to retaliation against any person for exercising any rights or duties under any law, statute or regulation to test for, cleanup, mitigate, protect or warn against or monitor any of these;
- n. any **Insured** serving or having served as a member of the board of trustees or board of directors, or as an officer of any entity other than an **Included Entity** or an **Outside Entity**;
 - Exception:** This exclusion does not apply to an **Insured** with respect to service as a director, trustee or officer of an **Outside Entity**, but this Exception:
 - (1) applies only if the **Individual Insured** serves in such capacity at the direction or request of the **Educational Organization** or if service in such capacity is or was part of the duties regularly assigned to the **Individual Insured** by an **Included Entity** and only to the extent that an **Individual Insured** is indemnified by an **Included Entity** for that service;
 - (2) does not extend to any **Outside Entity** or to any person other than an **Individual Insured**;
 - (3) is specifically excess of any indemnity or insurance (other than that provided by an **Included Entity**) available to an **Insured** by reason of service to an **Outside Entity**, including any indemnity or insurance available from or provided by the **Outside Entity**;
 - (4) does not extend to **Loss** on account of any **Claim** for a **Wrongful Act** prior to or subsequent to the dates during which the **Individual Insured** qualified for coverage under clause (1) above; and

- does not extend to **Loss** related to or arising out of any **Claim** brought against an **Insured** by or on behalf of the **Outside Entity** or any director, trustee, officer or employee of that **Outside Entity**;
- o. any violation of the Fair Labor Standards Act or any other law, regulation or statute that regulates the wages or hours of employment;
Exception: This exclusion shall not apply to 1) the Equal Pay Act, or 2) any retaliation for exercising any rights or duties under any such law, statute or regulation;
- p. any **Claim** seeking solely injunctive or non-monetary relief (for purposes of this exclusion, "injunctive or non-monetary relief" shall include claimants' attorneys' fees and costs); however, with respect to any such **Claim** we will pay 75% of the **Defense Costs** that exceed the **Self-Insured Retention** amount and the **Educational Organization** will pay the remainder of those **Defense Costs** [For example: **Defense Costs** are \$425,000. The applicable **Self-Insured Retention** amount is \$25,000. After the **Insureds** have paid the **Self-Insured Retention** of \$25,000, we will pay \$300,000 and the **Insureds** will pay \$100,000.]
Exception: This exclusion shall not apply if 1) Select Defense Counsel applies to the **Claim**, or 2) the **Self-Insured Retentions** set forth in items D(ii) and D(iii) of the Declarations are each \$100,000 or greater;
- q. any demand for the return of funds or gifts brought by or on behalf of a government agency or other entity or person, or any actual or alleged violation of the False Claims Act or similar laws;
Exception: This exclusion shall not apply to retaliation against any person for exercising any rights or duties under the False Claims Act or similar laws;
- r. (i) any actual or threatened alteration, appropriation, dissemination, duplication, imitation, impairment, misuse, release, reproduction, theft, or unauthorized encryption through ransomware of **Secure Data**; or
(ii) any actual or alleged failure to comply with the provisions of any federal, state, local or foreign statute or regulation that requires an entity collecting or storing information that constitutes **Secure Data**, or any entity that has provided information that constitutes **Secure Data** to a third party, to provide notice of any actual or potential unauthorized access by others to such **Secure Data**;
Exception: This exclusion shall not apply to a **Claim** brought under the Family Educational Rights and Privacy Act of 1974;
- s. any unauthorized use, access to, or failure or violation of any **Computer System**, or any other device or instrument used in the communication, receipt, or transmission of electronic data; or
- t. any **Claim** made by any person who has or alleges to have sustained an injury from **Sexual Misconduct**;
Exception: This exclusion shall not apply to any **Claim** made by any person who has or alleges to have sustained an injury from **Employee Sexual Harassment**.

NOTICE OF CLAIMS AND WRONGFUL ACTS

16. As a condition precedent to an **Insured's** rights under this Policy the **Insured** or the **Educational Organization** must give **us** written notice of any **Claim** as soon as reasonably practicable and promptly and fully give **us** such information with regard to that **Claim** as **we** may require. If this Policy is not renewed, then (subject always to the preceding sentence) the **Insured** or the **Educational Organization** must give **us** written notice of any **Claim** no later than 60 days after the end of the **Policy Period** or, if all conditions of Paragraph 23. have been satisfied, no later than the end of the 12 month period after the end of the **Policy Period**.
17. If during the **Policy Period** an **Insured** first becomes aware of any **Incident**, and gives **us** written notice of that **Incident** prior to the end of the **Policy Period**, including the nature of the **Incident**, the name of potentially damaged parties, and the manner in which the **Insured** first became aware of the

Incident, then any **Claim** subsequently made arising out of that **Incident** will be deemed to have been made during the **Policy Period**.

18. All notices of **Claims** under Paragraph 16., or **Incidents** under Paragraph 17., shall be reported in writing to: Claims Department, United Educators Insurance, 7700 Wisconsin Avenue, Suite 500, Bethesda, MD 20814-3556, Fax 301-907-0303, or at newclaims@ue.org or through www.ue.org. If a **Claim** is submitted electronically, **we** will send an electronic confirmation.

INDEMNIFICATION OF INDIVIDUAL INSUREDS

19. The **Educational Organization** agrees to indemnify **Individual Insureds** to the full extent permitted by applicable law.

CANCELLATION AND NONRENEWAL

20. The **Educational Organization** may cancel this Policy for itself and all other **Insureds** by surrendering it to **us** or by written notice to **us** by certified mail at the address in Paragraph 18. stating when (not less than 10 days thereafter) the cancellation will become effective. **We** may cancel this Policy only in the event any payment of premium is not made when due and payable, by mailing written notice by certified mail to the **Educational Organization** at the last mailing address known by **us** stating when, not less than 10 days thereafter, such cancellation will become effective.
21. The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the **Policy Period**. If the **Educational Organization** cancels this Policy, earned premium will be calculated in accordance with the customary short rate table and procedure. Premium adjustment will be made as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.
22. If **we** elect not to renew coverage provided by this Policy at then current standard terms and conditions (a change or increase in premium is not a change of terms and conditions) at the end of the **Policy Period**, **we** shall give the **Educational Organization** written notice at least 60 days before the end of the **Policy Period**.
- a. In the event that **we** learn of a change in the insurability of the risk that **we** deem material within 60 days or less before the end of this Policy and **we** are not then willing to renew at the current standard terms and conditions, **we** will notify the **Educational Organization** of this determination as soon as practicable, and **we** will also advise the **Educational Organization** whether **we** are willing to renew on different terms and conditions before the end of this **Policy Period**.
 - b. Under such circumstances, **we** may but are not required to offer the **Educational Organization** the opportunity to purchase a 60-day extension to the expiring Policy. Although this accommodation by **us** would be meant to give the **Educational Organization** that purchases a 60-day extension additional time to make decisions, this extension of the **Policy Period** shall under no circumstances create any additional Policy limits or increase the **Limits of Liability** available to the **Insureds**.

If offered by **us**, the **Educational Organization** may exercise this option by electing in writing before the end of the current **Policy Period** to pay to **us** an additional prorated portion of the current Policy's premium. Payment of the additional premium must be made no later than 10 days following the end of the original **Policy Period**.

EXTENDED DISCOVERY PERIOD

23. If **we** are unable to agree with the **Educational Organization** to a renewal at the end of the **Policy Period**, the **Educational Organization** shall have the right, upon payment of additional premium of 100% of the annual premium of this Policy, to an **Extended Discovery Period** for the coverage granted by this Policy; but
- the right to an **Extended Discovery Period** must be exercised by notice to **us** in writing and payment of the additional premium must be made no later than 10 days following the end of the **Policy Period**;
 - any **Claim** first made during the **Extended Discovery Period** will be treated as a **Claim** first made during the **Policy Period** and is subject to the **Limit of Liability** and **Self-Insured Retention** amounts applicable to the **Policy Period**;
 - this Policy does not cover any **Claim** that is covered in whole or in part by any policy of insurance that replaces this Policy or that succeeds this Policy in time; and
 - the additional premium will be considered fully earned on the first day of the **Extended Discovery Period**.

GOVERNING LAW AND INTERPRETATION

24. This Policy shall be governed by and construed in accordance with the internal laws of the State of New York, without regard to principles of conflicts of laws thereunder, except the substantive law of New York shall not be used to supplant or override (1) the provisions of this agreement regarding payment of punitive damages; (2) the provisions of this agreement addressing the award, rate or accrual date of prejudgment interest; and/or (3) the requirement that the provisions, stipulations, exclusions and conditions of this Policy be construed in an evenhanded fashion between the **Insureds** and **us**. Where the language of this Policy is deemed to be ambiguous or otherwise unclear, the issue shall be resolved in the manner most consistent with the relevant provisions, stipulations, exclusions and conditions without regard to authorship of the language and without any presumption or arbitrary interpretation or construction in favor of either the **Insureds** or **us**.

DISPUTE RESOLUTION

25. Any and all disputes arising out of or related to this agreement or the parties' performance hereunder shall be submitted first to mediation before a mutually-acceptable mediator. The parties shall: (1) mediate in good faith; (2) exchange all documents which each believes to be relevant and material to the issue(s) in dispute; (3) exchange written position papers stating their position on the dispute(s) and outlining the subject matter and substance of the anticipated testimony of persons having personal knowledge of the facts underlying the dispute(s); and (4) engage and cooperate in such further discovery as the parties agree or mediator suggests may be necessary to facilitate effective mediation. Mediator, venue, and related costs shall be shared equally by the parties.

Should the mediation required by this section fail to resolve the parties' dispute within four months of the initial mediation session, the parties agree to submit their dispute to a confidential, binding arbitration held according to the JAMS Comprehensive Arbitration Rules & Procedures in effect as of June 1, 2021 (the "Rules"), each party to bear (1) their own attorneys' fees and costs and (2) the fees and costs of their party-appointed arbitrator; and an equal share of the fees and expenses of the Chairperson and of the other expenses of the arbitration except for fees subject to paragraph 31(c) of the Rules.

Unless the parties consent in writing to a lesser number, the arbitration panel shall consist of three (3) arbitrators, the first to be appointed by the **Educational Organization** on behalf of the **Insureds**, the second to be appointed by **us**, and the third (the "Chairperson") to be appointed by the two (2)

arbitrators so appointed. The Chairperson shall either (1) have a minimum of 10 years' experience working in the insurance industry or (2) have handled a minimum of 5 insurance-related arbitrations or trials. The seat of the arbitration shall be Bethesda, Maryland; but the arbitration panel may, for the convenience of the parties and without changing the locale of the final arbitration hearing, meet or take evidence at any place or places.

To the extent any dispute arises regarding any privileged information or documents, the Panel shall determine whether an *in camera* review is necessary. If the Panel decides that such a review is necessary, the privileged information or documents shall be referred to *in camera* inspection by a special master selected by the majority of the arbitrators for such decisions, rather than being decided *in camera* by the arbitrators. The special master must be an attorney who has acted as a special master deciding privilege issues under state or federal law of the United States, or a retired jurist of any federal trial or appellate court of the United States.

The award of the arbitration panel may be, alternatively or cumulatively, for money damages, an order requiring the performance of obligations under this Policy, or any other appropriate order or remedy. The award shall not allocate arbitration fees or Chairperson compensation, costs or expenses in any manner except for equally between the parties. The decision of a majority of the arbitration panel shall be final and binding except to the extent otherwise provided in the Federal Arbitration Act.

For purposes of entering judgment upon any award by the arbitration panel, **we** and the **Insureds** submit to the jurisdiction of the State and Federal District Courts located in the State of Maryland.

We and the **Insureds** agree that prejudgment interest shall be calculated at the prime rate plus one percent and shall begin to accrue on the first date either party requested mediation.

COMPLIANCE WITH APPLICABLE UNITED STATES SANCTIONS

26. This insurance does not apply when **we** are prohibited from providing insurance by virtue of any United States laws or regulations.

CURRENCY

27. All premiums, **Limit of Liability**, **Self Insured Retention**, **Loss**, and all other monetary amounts used in this Policy are expressed and payable in United States currency.

OTHER INSURANCE

28. This Policy shall at all times be excess over any other valid and collectible insurance (including any insurance naming the **Insured** as "additional insured") available to the **Insured** other than insurance that is expressly and specifically excess of the limits of this Policy, and nothing in this Policy shall be construed to require this Policy to contribute with, or subject this Policy to the conditions of any other insurance. **We** will not pay any **Defense Costs** incurred in connection with any **Claim** that another insurer has a duty to defend.

REPRESENTATION AND SEVERABILITY

29. Except as respects:
- the giving of notice of **Claim** or circumstance pursuant to Paragraphs 16. and 17.,
 - giving of notice to exercise the Discovery Period and payment of additional premium under Paragraph 23., and
 - The order of payments provisions in paragraph 5,

the **Educational Organization** agrees to act on behalf of all **Insureds** with respect to all matters under this Policy, including without limitation payment of premium, negotiation of the terms of renewal, the adjustment, settlement and payment of **Claims**, resolution of disputes, allocation of the proceeds of this Policy, the giving and receiving of notice of cancellation, the giving of notice to persons whom the **Educational Organization** chooses to not make an **Individual Insured**, and the receiving of any return premiums that may become due. The **Insureds** agree that the **Educational Organization** shall act on their behalf. Notice to the **Educational Organization** at the last mailing address known by **us** shall constitute notice to all **Insureds**.

30. Solely with regard to the **Trustees**:
- the statements and representations in the Application for Insurance will be deemed to be a separate application for each **Trustee** and no fact pertaining to or knowledge possessed by any **Trustee** or **Officer** shall be imputed to any other **Trustee** for the purpose of determining whether coverage is available, and
 - subject to all other terms and conditions of this Policy, this coverage shall not be rescinded by **us** for any reason whatsoever.
31. In the event that any provision of this Policy shall be declared to be or deemed invalid or unenforceable under any applicable law, such invalidity or unenforceability shall not affect the remaining portion of this Policy.

SUBROGATION

32. In the event of any payment under this Policy, **we** shall be subrogated to all rights of recovery of any **Insured** against any person or organization, and the **Insureds** agree to execute and deliver such instruments and papers as necessary to secure such rights and to do nothing to prejudice such rights after the **Wrongful Act**. **We** agree to waive any right of recovery **we** may have against any person or organization when the **Educational Organization** has agreed to such waiver prior to a **Wrongful Act**.

ALTERATION AND ASSIGNMENT

33. No change in, modification of, or assignment of interest under this Policy will be effective except when made by a written endorsement to this Policy that is signed by **our** authorized representative.

UNINTENDED ERRORS AND OMISSIONS

34. Unless information is subject to a specific supplementary warranty application required by **us**, the failure of the **Insureds** to properly disclose all application information at the time of application for coverage for this Policy shall not prejudice the **Insureds** with respect to this insurance provided such failure or omission is not intentional.

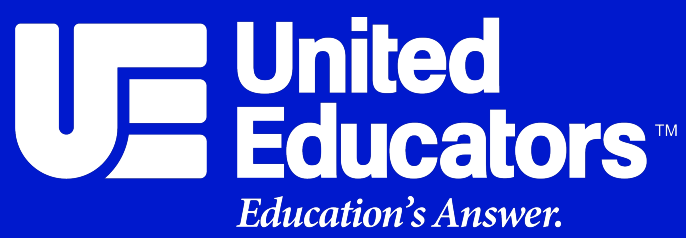
HEADINGS

35. The descriptions in the headings and subheadings of this Policy are inserted solely for convenience and do not constitute any part of the terms or conditions of this Policy.

IN WITNESS WHEREOF, United Educators Insurance, a Reciprocal Risk Retention Group has caused this Policy to be signed by its President.



Authorized Representative





RPS Specialty Market Policy Notices for the Policy Holder and Retail Producer

This form is NOT a part of the policy and does NOT amend policy wording, but is designed to be delivered when the policy is provided to the Policy Holder. When using "you" or "your" the form is addressing the Policy Holder; when using "Producer" it refers to the Retail Producing Entity and/or their production person; RPS is used for Risk Placement Services, Inc.

Assignment: This Policy or Certificate may not be assigned to another entity without the written consent of the Insurer. The policy wording should be reviewed carefully for this provision before any assignment attempt is made.

Audits: If your insurance policy includes general liability, product liability and/or completed operations liability, your policy is subject to an audit on a Minimum and Deposit basis. Liability premiums are often calculated using estimated exposures for a future period of time, for example gross annual sales, payroll and subcontractor costs. At the end of your policy period, the company may audit the actual exposures for your policy period. If the exposures are higher than estimated, additional premium will be due. If the exposures are lower than estimated, and the premium already paid is a Minimum and Deposit premium then no premium adjustment will be made, and no return premium will be issued. The Producer should review any Audit Condition from the policy with you. The Producer is responsible for collecting any audit premiums due within 20 days of the billing, unless otherwise noted.

Binding Coverage: Coverage can only be bound after a written request is received and acknowledged by RPS.

Cancellation: The policy has specific cancellation provisions that should be reviewed, and may be subject to special endorsements based on the State regulations. Flat cancellations are not allowed. In order to cancel you need to make written request in advance of the requested date. The policy also contains provisions that establish minimum earned premiums, minimum and deposit premiums or fully earned premiums. Cancellation for non-payment of premium, including failure to pay outside financing, is generally considered to be at the request of the Insured and therefore subject to financial penalties as described in the policy. If a Notice of Cancellation is sent for non-payment, there may be a Service Fee (not a premium) required to effect a rescission of the Notice. The amount of the fee will typically be shown on the Notice, and must be paid by the party requesting the rescission. The policy may not continue if the Service Fee is not paid.

Certificates of Insurance: You may request Certificates of Insurance from the Producer that placed your insurance policy. Such Certificates cannot contain wording contrary to the Policy Coverage as provided. Additional Insureds, often requested with Certificates of Insurance, generally require an Additional Premium, and can only be added after the Insurer knows of the insurable interest and accepts the entity as being added to the policy. Producers can access the RPS website to obtain many Certificates or make special coverage change requests via endorsement as needed to satisfy certain Certificate Holders, keeping in mind such additional coverages may require additional premium charges.

Claims Reporting: Report all claims as soon as possible. The policy will define what constitutes a claim. The policy contains specific address, phone, or website information as to where and how to report a claim. Most Insurers maintain 24/7 service of such numbers. Your Producer may also assist you with filing a claim, and they have access to the **RPS website <https://my.rpsins.com/claimsfnol>** and/or **RPS claim reporting toll free number 1-844-777-8323** to do so, however, you should review the claim reporting provision of the policy. If your policy is a "claims-made" policy, it is essential to understand what constitutes a claim from the language in the policy, and also know that all claims must be reported to the insurer as soon as possible. Both the policy and your broker can instruct you how and where to submit a claim. If a claim is reported after the time period specified in the policy, the insurer may deny coverage. Do not offer to compromise or settle any claim or demand without the insurer's prior agreement, or you will risk losing coverage.

Coverage: This policy may not be as broad in scope as the policy it replaces nor as the coverage requested. This policy was issued to reflect the coverage as quoted by RPS to your Producer. Your Producer should review the entire contract of insurance with you.

Endorsements: Additional coverage, changes or revisions are subject to acceptance of the Insurer and must be endorsed to the policy. The Producer has no authority to endorse or change the policy, but should submit in writing the requested changes to RPS who will work with the Insurer to effect endorsement's acceptability to the Insurer. Coverage is not in force until confirmed by RPS.

Fees: Unless otherwise noted, all Fees are fully earned at the time of placement of this insurance and are not subject to pro-rata return if the policy is cancelled.

Financing: Any premium financing is a contractual relationship between the Premium Finance Company (PFC) and the Borrower. The Insurer, Agents, nor Brokers are parties to the Finance Agreement, and policy wording will not be amended to any contractual provisions therein. All such contracts must be set up showing the Insurer's Name c/o Risk Placement Services, Inc., using the RPS branch address where the policy was placed. Once financed, it is the duty of the Producer to inform the PFC of any changes to the contract, additional or return premiums, and cancellation of the policy.

Forms Signed & Returned: The policy may have been delivered with forms that require the signature of the Named Insured. Such forms should be signed and returned to the Producer immediately, so they can in turn provide them to RPS, who will post them to the Insurer files.

Inspections: To keep coverage in force, an inspection may be required, and provisions for this are in the policy. Producer should review with the Policy Holder the need to arrange site appointments with inspectors, who may be vendors.

Minimum Earned Premium: This quotation/policy may include a Minimum Earned Premium provision, expressed as a percentage and/or dollar amount. This means that if the insurance policy is cancelled by you for any reason, the company will retain no less than the Minimum Earned Premium.

Example: The policy premium is \$1,000 and the Minimum Earned Premium is 25%. The policy is an annual policy and is cancelled after 2 days of being in force. The company would retain at least 25% of the premium ($\$1,000 \times 25\% = \250 and return no more than \$750.

Producer Not Agent: The Producer is a representative of the Policy Holder / Named Insured, and as such does not act as an Agent of the Insurer nor of RPS.

Transportation Policies: Report all newly hired drivers as soon as possible. Report all newly acquired vehicles prior to putting them in service and/or on the road.

DECLARATIONS

Please review this Insurance carefully and discuss the coverage provided by this Insurance with your insurance agent, broker or representative.

I. GENERAL DETAILS

Named Insured: The Citadel
Premium (Annual): \$ 3,452.00
Premium attributed to TRIA: 1%
(Note: All currencies denominated in USD)

II. COVERAGE DETAILS

Insured Events: Kidnap, Extortion, Detention, Hijack, Child Abduction, Cyber Extortion, Disappearance, Express Kidnap and Hostage Crisis

Insured Persons: All Directors, Officers, Employees, Leased or Temporary Employees, Volunteers, Students, Interns, Consultants, Independent Contractors and persons specifically retained to negotiate or deliver a ransom

Territory: Worldwide, Excluding Ukraine

Policy Form: HICI Kidnap and Ransom Insurance Policy

Coverage Extensions: (1) E1300.1 Threat Response Expense Endorsement, (2) E1311.3 Alternate Loss of Earnings Endorsement (ASRM), (3) E1302.2 Expatriate Security Evacuation Endorsement (ASRM), (4) E1313.3 Loss of Earnings Study Abroad Program Endorsement, (5) E1304.1 Travel Security Evacuation Endorsement (ASRM), (6) E221.3 Notice of Terrorism Insurance Coverage, (7) E1437.1 South Carolina Amendatory Endorsement, (8) E1329.1 Colleges & Universities Coverage Amendatory Endorsement (ASRM), (9) E1347.1 Cyber Extortion Exclusion, (10) E1320.1 Amended Territory Endorsement

Choice of Law and Jurisdiction: South Carolina

Period of Insurance: Inception date: 01/23/2023 Expiration date: 01/23/2024
Inception date shown shall be at 12:01 A.M. (Standard Time) to Expiration date shown above at 12:01 A.M. (Standard Time) at the address of the Named Insured.



DECLARATIONS

HISCOX INSURANCE COMPANY INC. (A Stock Company)

30 North LaSalle Street, Suite 1760, Chicago, IL 60602
(646) 452-2353

Policy Number: UKA3014575.23

III. INSURED LOSS

A. Insured Loss resulting from:

Kidnap/Extortion/Hijack/Express Kidnap/Detention/Hostage Crisis:

(1) Ransom	\$ 5,000,000	per Insured Event
(2) Ransom in Transit	\$ 5,000,000	per Insured Event
(3) Control Risks Fees and Expenses	Unlimited	per Insured Event
(4) Additional Expenses	\$ 5,000,000	per Insured Event

Child Abduction:

(3) Control Risks Fees and Expenses	\$ 1,000,000	per Insured Event
(4) Additional Expenses	(Shared Limit for Control Risks Fees and Expenses and Additional Expenses)	

Disappearance:

(3) Control Risks Fees and Expenses	\$ 100,000	per Insured Event
(4) Additional Expenses	(Shared Limit for Control Risks Fees and Expenses and Additional Expenses)	
Period of Indemnity:	90	Days

B. Legal Liability resulting from Kidnap/Extortion/Detention/Hijack/Hostage Crisis:	\$ 5,000,000	per Insured Event
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C. Cyber Extortion:

(1) Ransom	\$ 0	per Insured Event
(2) Ransom in Transit	\$ 0	per Insured Event
(3) Control Risks Fees and Expenses	Excluded	per Insured Event
(4) Additional Expenses for Life Safety Risk	\$ 0	per Insured Event

D. Personal Accident resulting from Kidnap/Extortion/Cyber Extortion/Detention/Hijack/Express Kidnap/Hostage Crisis:

Limit of Liability	\$ 250,000	per Insured Person /
	\$ 1,250,000	per Insured Event

Benefits per Insured Person	Percentage of Capital Sum Insured
a. Death	100%
b. Loss of Limb/Sight	100%
c. Permanent Total Disablement	100%
d. Loss of Extremity	50%



DECLARATIONS

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IV. COVERAGE EXTENSIONS

Alternate Loss of Earnings Endorsement (ASRM)

(1) Limits of Liability	\$ 5,000,000	per Insured Event
(2) Indemnity Period	120	Day(s)
(3) Waiting Period	6	Hour(s)
(4) Investigating Accountants	MDD	

Loss of Earnings Study Abroad Program Endorsement (ASRM)

(1) Limits of Liability	\$ 5,000,000	per Insured Event
(2) Indemnity Period	120	Day(s)
(3) Waiting Period	6	Hour(s)
(4) Investigating Accountants	MDD	

Expatriate Security Evacuation Endorsement (ASRM)

(1) Limits of Liability	\$ 150,000	per Insured Event
but not exceeding:		
Repatriation Costs	\$ 10,000	per Insured Person
Relocation Costs	\$ 10,000	per Insured Person
Personal Effects	\$ 5,000	per Insured Person
Fees and Expenses of Control Risks	Unlimited	per Insured Event
(2) Named Excluded Countries	Ukraine	

Travel Security Evacuation Endorsement (ASRM)

(1) Limits of Liability	\$ 150,000	per Insured Event
but not exceeding:		
Repatriation Costs	\$ 10,000	per Insured Person
Personal Effects	\$ 5,000	per Insured Person
Fees and Expenses of Control Risks	Unlimited	per Insured Event
(2) Named Excluded Countries	Ukraine	

Threat Response Expense Endorsement

(1) Limits of Liability	\$ 100,000	per Insured Event
(2) Indemnity Period	90	Day(s)
(3) Named Excluded Countries	None	



DECLARATIONS

HISCOX INSURANCE COMPANY INC. (A Stock Company)

30 North LaSalle Street, Suite 1760, Chicago, IL 60602
(646) 452-2353

Policy Number: UKA3014575.23

The agreement defined in this document is entered into 100% with Hiscox Insurance Company Inc.

If an insured event occurs or is believed to have occurred, Control Risks should be contacted on the following international telephone number: +44 20 7939 8900 (24 hours). From the United States this number becomes 011 44 20 7939 8900 or toll free 1 800 831 1985.

IN WITNESS WHEREOF, the Insurer indicated above has caused this Policy to be signed by its President and Secretary, but this Policy shall not be effective unless also signed by our duly authorized representative.

President

Secretary

Authorized Representative

January 20, 2023

Hiscox Inc.

Endorsement 1

Page 1 of 1

E1300.1 Threat Response Expense Endorsement

In consideration of the premium charged and on the understanding that all other terms, conditions and exclusions remain unchanged, it is agreed the Policy is amended as follows:

- I. Section II. Insured Events of the Policy is amended to include "**Threat Event**".
- II. The Company's obligation to pay for **Insured Loss** resulting from a **Threat Event** is limited to the following and will not exceed the applicable amounts stated in the Declarations:
 - A. The fees and expenses of Control Risks and/or other alternative Security Company, as may be agreed upon by the Company, in providing **Services** in response to a **Threat Event**.
- III. For purposes of this endorsement only, the following definition is added to Section III. Definitions of the Policy:

Services means the assessment of and advice concerning a **Threat Event**, as well as the temporary protection of the threatened person(s) or **Property**, for a period commencing on the date the **Threat Event** is first received and ending at the expiration of the Indemnity Period indicated in the Declarations.

Threat Event means a menacing threat or threats made by a person or a group, without an accompanying **Ransom** or **Extortion** demand, to commit or attempt to:

- (1) inflict bodily harm to, wrongfully abduct or detain an **Insured Person**;
- (2) damage, destroy, or contaminate any **Property**; and/or
- (3) reveal confidential or **Proprietary Information** or **Trade Secrets**;

provided, however, that such threat or threats are made specifically against the **Named Insured** or an **Insured Person** or the **Named Insured's Property**.

- IV. References in the Declarations to which this endorsement is attached shall determine the Company's applicable Limit(s) of Liability and Indemnity Period for the coverage provided herein, as well as any Named Countries excluded from this extension of coverage.

K&R E1300 CW (01/18)



HISCOX INSURANCE COMPANY INC. (A Stock Company)

30 North LaSalle Street, Suite 1760, Chicago, IL 60602
(646) 452-2353

Policy Number: UKA3014575.23

Endorsement effective: 01/23/2023
Endorsement No: 1

Policy No.: UKA3014575.23
Processed Date: 01/20/2023

By : Kevin Kerridge
(Appointed Representative)



HISCOX INSURANCE COMPANY INC. (A Stock Company)

30 North LaSalle Street, Suite 1760, Chicago, IL 60602
(646) 452-2353

Policy Number: UKA3014575.23

Endorsement 2

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E1311.3 Alternate Loss of Earnings Endorsement (ASRM)

In consideration of the premium charged and on the understanding that all other terms, conditions and exclusions remain unchanged, it is agreed the Policy is amended as follows:

- I. Section II. Insured Events of the Policy is amended to include **"Contingent Extortion"**.
- II. The following is added to the end of Section IV. Insured Loss of the Policy:

ST-A. Loss of Earnings: The Company agrees to pay the **Named Insured** for the following types of **Insured Loss** sustained by the **Named Insured** that is caused solely and directly from the **Insured Events** identified below occurring during the Period of Insurance, but only for the duration of the **Insured Event** or through the Indemnity Period, whichever is less:

- (1) **Loss of Earnings** and **Extra Expense** that are caused solely and directly from a **Child Abduction, Kidnap, Extortion, Product Extortion, Contingent Extortion, Detention, or Hijack** up to the limits of liability stated in the Declarations.
- (2) **Loss of Earnings** that is caused directly and solely by a **Cyber Extortion** subject to \$0 per Insured Event.
- (3) **Investigation Costs** of the **Investigating Accountants**. **Investigation Costs** are a part of and shall reduce the limits of liability as stated in the Declarations.

The Company's liability for **Loss of Earnings, Extra Expense, and Investigation Costs** of the **Investigating Accountants** pursuant to this endorsement shall not exceed the Limit of Liability as stated in Item IV. of the Declarations or as otherwise specified in this endorsement.



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III. For purposes of this endorsement only, the following definitions are added to Section III. Definitions of the Policy:

Contingent Extortion means the making of any illegal threats by a third party to cause physical damage to property contiguous to the **Named Insured's Property** where: the third party demands receipt of money, marketable goods, or services as a condition of not carrying out such threats; the threat prompts an order from a civil authority to cease the **Named Insured's** business operations and activities, in whole or in part; and the order from the civil authority directly results in the closure of all or part of the **Named Insured's Property**.

Loss of Earnings means the reduction in net profit plus payroll expenses, taxes, interest, rents, and other operating expenses sustained by the **Named Insured**, other than in connection with a **Study Abroad Program**, resulting directly from the interruption of the **Named Insured's** business caused solely and directly from **Insured Events**. **Loss of Earnings** does not include **Extra Expense** or **Investigation Costs**.

Extra Expense means expenses unavoidably incurred by the **Named Insured** as a result of an **Insured Event** that interrupts its business operations, and which would not have been incurred had no **Insured Event** occurred. **Extra Expense** does not include **Loss of Earnings** or **Investigation Costs**.

Investigating Accountants means the accountants defined in the Declarations appointed to determine the amount of any **Loss of Earnings** or **Extra Expense** loss.

Investigation Costs means fees and expenses of the **Investigating Accountants** defined in the Declarations.

Study Abroad Program means a program in which the **Insured Person(s)** attends courses or participates in activities for academic credit accepted by the **Named Insured** in a country other than the **Named Insured's** country of domicile and other than any Named Countries excluded from this extension of coverage



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- IV. For purposes of this endorsement only, the following exclusions are added to Section V. Exclusions of the Policy:

- ST-A. Any **Loss of Earnings** in connection with a **Study Abroad Program**.
- ST- B Any **Loss of Earnings** or **Extra Expense** sustained after the earliest of the following:
(i) the end of the **Insured Event**; (ii) the resumption of the **Named Insured's** business operations and activities; or (iii) the expiration of the Indemnity Period.
- ST-C. Any consequential damages that may accompany **Loss of Earnings** or **Extra Expense** including, but not limited to, damages attributable to loss of market share, harm to business reputation or loss of goodwill.
- ST-D. Any loss or damages, fees or expenses arising out of cancellation, suspension, abrogation or breach of a contract to which the **Named Insured** is a party.

- V. For purposes of this endorsement only, the following condition is added to Section VI. Condition of the Policy:

- ST-A. Loss of Earnings Obligations - In the event of a **Loss of Earnings** or **Extra Expense** covered under this endorsement, the following conditions will apply:



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- (1) Any claims for reimbursement shall be made to the Company as soon as practicable and shall be accompanied by a computation of loss, prepared by a recognized firm of accountants using standard accountancy procedures, which sets out in detail how the loss has been calculated and what assumptions have been made.
- (2) The **Investigating Accountants** will determine the amount of the **Loss of Earnings** and any **Extra Expense**, taking into account any savings or recoveries or offsetting of losses which have been made or which the **Named Insured** could reasonably have been expected to make, and the ability of the **Named Insured** to resume business operations and activities.
- (3) **Loss of Earnings** for any period of interruption shall be arrived at by projection of earnings for the affected business operations and activities for the identical calendar period during the preceding two years.
- (4) The **Named Insured** shall produce any documentary evidence, including but not limited to books of accounts, bills, invoices, other vouchers and copies of the same which the **Investigating Accountants** may require and shall afford the **Investigating Accountants** every assistance in their investigations, including reasonable access to the **Named Insured's Property**.
- (5) In the event the **Investigating Accountants** declare that they are unable to act in this capacity for any reason, including potential conflict of interest, the Company shall appoint another firm of similar standing in the accountancy profession.

VI. References in the Declarations to which this endorsement is attached shall determine the Company's applicable Limit(s) of Liability, Indemnity Period and/or Waiting Period for the coverage provided herein. The Company shall not be obligated to indemnify the **Named Insured** for **Loss of Earnings** or **Extra Expense** sustained prior to the expiration of the Waiting Period or subsequent to the end of the Indemnity Period for this endorsement as set forth in the Declarations. The Waiting Period shall immediately follow the commencement of the **Insured Event** and the Indemnity Period shall not include the Waiting Period.

K&R E1311 CW (11/19)



HISCOX INSURANCE COMPANY INC. (A Stock Company)

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Policy Number: UKA3014575.23

Endorsement effective: 01/23/2023
Endorsement No: 2

Policy No.: UKA3014575.23
Processed Date: 01/20/2023

By : Kevin Kerridge
(Appointed Representative)

Endorsement 3

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E1302.1 Expatriate Security Evacuation Endorsement (ASRM)

In consideration of the premium charged and on the understanding that all other terms, conditions and exclusions remain unchanged, it is agreed the Policy is amended as follows:

- I. Section II. Insured Events of the Policy is amended to include “**Expatriate Security Evacuation**”.
- II. The Company’s obligation to pay for **Insured Loss** resulting from **Expatriate Security Evacuation** is limited to the following and will not exceed the applicable amounts stated in the Declarations:
 - A. Reasonable and necessary repatriation costs, including:
 - (1) costs incurred by the **Named Insured** or an **Insured Person** for travel to the nearest place of safety or to the **Resident Country**;
 - (2) accommodation costs incurred by the **Named Insured** or an **Insured Person** whilst the subject of an **Expatriate Security Evacuation** for a maximum period of seven (7) days; and
 - (3) the gross compensation, including salary, bonuses and any allowances, paid by the **Named Insured** to an **Insured Person** while the subject of an **Expatriate Security Evacuation**, however, such amount:
 - (i) shall not exceed the **Insured Person’s** gross compensation immediately prior to the **Insured Event**; and
 - (ii) shall be reimbursed for a maximum period of three (3) months following the **Expatriate Security Evacuation**, or until the date on which the **Insured Person** can resume previously agreed assignments or alternative assignments from a remote location or through **Relocation**, whichever occurs first.
 - B. Economy class fares on any licensed common carrier operating from a published timetable incurred by the **Named Insured** or an **Insured Person** in the **Relocation** of an **Insured Person**.
 - C. The fees and expenses of Control Risks and/or alternative Security Consultants as agreed by the Company.

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- D. Personal effects left behind and irrecoverably lost by the evacuated **Insured Person** up to the limit shown in the Declarations.
- E. Cost of tuition reimbursed by the **Named Insured** to an **Insured Person** as a result of an **Insured Event**.

III. For purposes of this endorsement only, the following definitions are added to Section III. Definitions of the Policy:

Expatriate Security Evacuation means the repatriation or return of an **Insured Person** to his or her **Resident Country** as necessitated by:

- (1) officials of an **Insured Person's Resident Country** issuing for security related reasons, a recommendation that categories of persons, which include the **Insured Persons**, should leave the country in which that **Insured Person** is temporarily resident;
- (2) an **Insured Person** being expelled or declared persona non grata on the written authority of the recognized government of the country where temporarily resident;
- (3) the wholesale seizure, confiscation, or expropriation of the property, plant, and equipment of the **Named Insured** located in the country where the **Insured Person** is temporarily resident; and/or
- (4) both the **Named Insured** and Control Risks agreeing that, for security related reasons, **Insured Persons** should leave the country.

Relocation means the return of an **Insured Person** who has been the subject of an **Expatriate Security Evacuation** to the country from which he or she had been repatriated.

Resident Country means the country of which an **Insured Person** is a national or permanent resident.

IV. For purposes of this endorsement only, the following exclusions are added to Section V. Exclusions of the Policy:

- ES-A. Violation by the **Named Insured** or an **Insured Person** of the laws or regulations of the country of which they are a national.

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- ES-B. The failure of the **Named Insured** or an **Insured Person** properly to procure or maintain immigration, work, residence, or similar visas, permits, or other documentation.
- ES-C. A debt, insolvency, commercial failure, the repossession of any property by a title holder or any other financial cause.
- ES-D. The failure of the **Named Insured** or an **Insured Person** to honor any contractual obligation or bond or to obey any conditions in a license.
- ES-E. **Insured Persons** who are nationals or permanent residents of the country in which the **Insured Event** takes place.
- ES-F. **Insured Events** arising out of natural disasters including, but not limited to, earthquake, flood, fire, famine, volcanic eruption, or windstorm.
- ES-G. Any nuclear hazards, including, but not limited to, the presence of or threat by:
- (1) ionizing radiations or contamination by radioactivity from any irradiated nuclear fuel or from any nuclear waste from spent nuclear fuel; or
 - (2) the radioactive, toxic, explosive or other hazardous properties of any nuclear assembly or nuclear component.
- ES-H. **Insured Events** involving any Excluded Countries named in the Declarations.
- V. For purposes of this endorsement only, the following conditions are added to Section VI. Conditions of the Policy :
- ES-A. In respect of any **Insured Loss** for **Expatriate Security Evacuation**, the Company shall only be obligated to pay for the costs of transportation by economy fares unless unavailable, clearly impractical or the risk to the life of the **Insured Person** is such that any other appropriate means of transport becomes essential.
- ES-B. Coverage shall apply once per **Insured Person** per **Insured Event**.



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VI. References in Section IV. Coverage Extensions of the Declarations to which this endorsement is attached shall determine the Company's applicable Limit(s) of Liability for the coverage provided herein, as well as any Named Countries excluded from this extension of coverage.

K&R E1302 CW (01/18)

Endorsement effective: 01/23/2023
Endorsement No: 3

Policy No.: UKA3014575.23
Processed Date:01/20/2023

By : Kevin Kerridge
(Appointed Representative)

Endorsement 4

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E1313.3 Loss of Earnings Study Abroad Program Endorsement

In consideration of the premium charged and on the understanding that all other terms, conditions and exclusions remain unchanged, it is agreed the Policy is amended as follows:

- I. Section II. Insured Events of the Policy is amended to include “**Contingent Extortion**”.
- II. The following is added to the end of Section IV. Insured Loss of the Policy:

ST-A. Loss of Earnings: The Company agrees to pay the **Named Insured** for the following types of **Insured Loss** sustained by the **Named Insured** that is caused solely and directly from the **Insured Events** identified below occurring during the Period of Insurance, but only for the duration of the **Insured Event** or through the Indemnity Period, whichever is less:

- (1) **Study Abroad Loss of Earnings** sustained by the **Named Insured** as result of a reduction in enrolment for a **Study Abroad Program** which is caused solely and directly from a **Child Abduction, Kidnap, Extortion, Product Extortion, Contingent Extortion, Detention, or Hijack** up to the limits of liability stated in the Declarations.
- (2) **Study Abroad Loss of Earnings** that is caused directly and solely by a **Cyber Extortion** subject to \$0 per Insured Event.
- (3) **Investigation Costs** of the **Investigating Accountants**. **Investigation Costs** are a part of and shall reduce the limits of liability as stated in the Declarations.



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The Company's liability for **Study Abroad Loss of Earnings** and **Investigation Costs** of the **Investigating Accountants** pursuant to this endorsement shall not exceed the Limit of Liability as stated in Item IV. of the Declarations or as otherwise specified in this endorsement.

- III. For purposes of this endorsement only, the following definitions are added to Section III. Definitions of the Policy:

Contingent Extortion means the making of any illegal threats by a third party to cause physical damage to property contiguous to the **Named Insured's Property** where: the third party demands receipt of money, marketable goods, or services as a condition of not carrying out such threats; the threat prompts an order from a civil authority to cease the **Named Insured's** business operations and activities, in whole or in part; and the order from the civil authority directly results in the closure of all or part of the **Named Insured's Property**.

Study Abroad Loss of Earnings means the reduction in net revenues including tuition, fees, room and board from **Insured Persons** participating in a **Study Abroad Program** sustained by the **Named Insured** resulting directly from the interruption of the **Named Insured's** business caused solely and directly from **Insured Events**. **Study Abroad Loss of Earnings** does not include **Investigation Costs** or any charges or expenses which do not otherwise continue or can be avoided.

Investigating Accountants means the accountants defined in the Declarations appointed to determine the amount of any **Study Abroad Loss of Earnings** loss.

Investigation Costs means fees and expenses of the **Investigating Accountants** defined in the Declarations.

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IV. For purposes of this endorsement only, the following exclusions are added to Section V.
Exclusions of the Policy:

- ST-A. Any loss or damages arising out of the repatriation or return of an **Insured Person** necessitated by:
- (1) officials of an **Insured Person's Resident Country** issuing for security-related reasons, a recommendation that categories of persons, which include the **Insured Person**, should leave the country in which that **Insured Person** is temporarily resident or engaged in travel;
 - (2) an **Insured Person** being expelled or declared persona non grata on the written authority of the recognized government of the country where temporarily resident or engaged in travel;
 - (3) the wholesale seizure, confiscation, or expropriation of the property, plant, and equipment of the **Named Insured** located in the country where the **Insured Person** is temporarily resident or engaged in travel; or
 - (4) both the **Named Insured** and Control Risks agreeing that, for security-related reasons, **Insured Persons** should leave the country.
- ST-B. Any consequential damages that may accompany loss of **Earnings** including, but not limited to, damages attributable to harm to business reputation or loss of goodwill.
- ST-C. Any consequential damages that may accompany **Study Abroad Loss of Earnings** including, but not limited to, damages attributable to loss of market share, harm to business reputation, or loss of goodwill.
- ST-D. Any loss or damages, fees or expenses arising out of cancellation, suspension, abrogation or breach of a contract to which the **Named Insured** is a party.

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- V. For purposes of this endorsement only, the following condition is added to Section VI. Condition of the Policy:

ST-A. Loss of Earnings Obligations - In the event of a **Study Abroad Loss of Earnings** covered under this endorsement, the following conditions will apply:

- (1) Any claims for reimbursement shall be made to the Company as soon as practicable and shall be accompanied by a computation of loss, prepared by a recognized firm of accountants using standard accountancy procedures, which sets out in detail how the loss has been calculated and what assumptions have been made.
- (2) The **Investigating Accountants** will determine the amount of the **Study Abroad Loss of Earnings**, taking into account any savings or recoveries or offsetting of losses which have been made or which the **Named Insured** could reasonably have been expected to make, and the ability of the **Named Insured** to resume business operations and activities.
- (3) **Study Abroad Loss of Earnings** for any period of interruption shall be arrived at by projection of earnings for the affected business operations and activities for the identical calendar period during the preceding two years.
- (4) The **Named Insured** shall produce any documentary evidence, including but not limited to books of accounts, bills, invoices, other vouchers and copies of the same which the **Investigating Accountants** may require and shall afford the **Investigating Accountants** every assistance in their investigations, including reasonable access to the **Named Insured's Property**.
- (5) In the event the **Investigating Accountants** declare that they are unable to act in this capacity for any reason, including potential conflict of interest, the Company shall appoint another firm of similar standing in the accountancy profession.

VI. References in the Declarations to which this endorsement is attached shall determine the Company's applicable Limit(s) of Liability, Indemnity Period and/or Waiting Period for the coverage provided herein. The Company shall not be obligated to indemnify the **Named Insured** for **Study Abroad Loss of Earnings** sustained prior to the expiration of the Waiting Period or subsequent to the end of the Indemnity Period for this endorsement as set forth in the Declarations. The Waiting Period shall immediately follow the commencement of the **Insured Event** and the Indemnity Period shall not include the Waiting Period.



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Policy Number: UKA3014575.23

Endorsement effective: 01/23/2023
Endorsement No: 4

Policy No.: UKA3014575.23
Processed Date: 01/20/2023

By : Kevin Kerridge
(Appointed Representative)

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E1304.1 Travel Security Evacuation Endorsement (ASRM)

In consideration of the premium charged and on the understanding that all other terms, conditions and exclusions remain unchanged, it is agreed the Policy is amended as follows:

- I. Section II. Insured Events of the Policy is amended to include **"Travel Security Evacuation"**.
- II. The Company's obligation to pay for **Insured Loss** resulting from **Travel Security Evacuation** is limited to the following and will not exceed the applicable amounts stated in the Declarations:
 - A. Costs incurred by the **Named Insured** or an **Insured Person** for travel to the nearest place of safety or to the **Resident Country**.
 - B. Reasonable accommodation costs incurred by the **Named Insured** or an **Insured Person** whilst the subject of a **Travel Security Evacuation** for a maximum period of seven (7) days.
 - C. The fees and expenses of Control Risks and/or alternative Security Consultants as agreed by the Company.
 - D. Personal effects left behind and irrecoverably lost by the evacuated **Insured Person** up to the limit shown in the Declarations.
 - E. Cost of tuition reimbursed by the **Named Insured** to an **Insured Person** as a result of a **Travel Security Evacuation**.
- III. For purposes of this endorsement only, the following definitions are added to Section III. Definitions of the Policy:

Travel Security Evacuation means a **Repatriation** necessitated by:

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- (1) officials of the **Resident Country** issuing for security related reasons, a recommendation that categories of person which include the **Insured Persons** should leave the country in which that **Insured Person** engaged in travel;
- (2) a **Insured Person** being expelled or declared persona non grata on the written authority of the recognized government of the country where the **Insured Person** is engaged in travel;
- (3) the wholesale seizure, confiscation or expropriation of the property, plant and equipment of the **Named Insured** located in the country where the **Insured Person** is engaged in travel; and/or
- (4) both the **Named Insured** and Control Risks agreeing that for security related reasons **Insured Persons** should leave the country where the **Insured Person** is engaged in travel.

Repatriation means the return of an **Insured Person** or, in the event of death, his or her remains, to his or her **Resident Country**.

Resident Country means the country of which an **Insured Person** is a national or permanent resident.

IV. For purposes of this endorsement only, the following exclusions are added to Section V.
Exclusions of the Policy:

- TS-A. Violation by the **Named Insured** or an **Insured Person** of the laws or regulations of a country, state, province, territory or local authority which gives rise to a **Travel Security Evacuation**.
- TS-B. The failure of the **Named Insured** or an **Insured Person** properly to procure or maintain immigration, work, residence or similar visas, permits or other documentation.
- TS-C. A debt, insolvency, commercial failure, the repossession of any property by a title holder or any other financial cause.
- TS-D. The failure of the **Named Insured** or an **Insured Person** to honor any contractual obligation or bond or to obey any conditions in a licence.

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- TS-E. **Repatriation of Insured Persons** who are nationals or permanent residents of the country in which the **Travel Security Evacuation** takes place.
- TS-F. **Travel Security Evacuations** arising out of natural disasters including but not limited to earthquake, flood, fire, famine, volcanic eruption or windstorm.
- TS-G. Any nuclear hazards, including, but not limited to, the presence or threat by
- (1) ionizing radiations or contamination by radioactivity from any irradiated nuclear fuel or from any nuclear waste from spent nuclear fuel;
 - (2) the radioactive, toxic, explosive or other hazardous properties of any nuclear assembly or nuclear component.
- TS-H. **Travel Security Evacuation** involving any Excluded Countries named in the Declarations

- V. For purposes of this endorsement only, the following conditions are added to Section VI. Conditions of the Policy:

TS-A. In respect of any **Insured Loss** for **Travel Security Evacuation**, the Company shall only be obligated to indemnify for the costs of transportation by economy fares unless unavailable, clearly impractical or the risk to the life of the **Insured Person** is such that any other appropriate means of transport becomes essential.

TS-B. Coverage shall apply once per **Insured Person** per **Insured Event**.

- VI. References in Section IV. Coverage Extensions of the Declarations to which this endorsement is attached shall determine the Company's applicable Limit(s) of Liability for the coverage provided herein, as well as any Named Countries excluded from this extension of coverage.

K&R E1304 CW (01/18)

Endorsement effective: 01/23/2023
Endorsement No: 5Policy No.: UKA3014575.23
Processed Date: 01/20/2023By : Kevin Kerridge
(Appointed Representative)



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Policy Number: UKA3014575.23

Endorsement 6

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Notice of Terrorism Insurance Coverage

On November 26, 2002, the President of the United States signed into law the Terrorism Risk Insurance Act of 2002 (the "Act"). You should know that under your existing coverage, any losses caused by certified acts of terrorism would be partially reimbursed by the United States under a formula established by federal law. Under this formula, the United States pays 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019 and 80% beginning on January 1, 2020 of covered terrorism losses exceeding the statutorily established deductible paid by the insurer providing the coverage.

Please note that this Policy does not contain an exclusion that specifically excludes coverage for certified acts of terrorism under the Act. The portion of your annual premium that is attributable to coverage for acts of terrorism is 1%.

If you do not wish to elect to purchase coverage for Acts of Terrorism, as defined by the Act, we must receive written notification of such desire and an exclusion for such coverage will be added to your Policy. If you have any questions regarding this notice, the Act, or the impact of the Act on your policy, please contact your insurance agent or broker.

All other terms and conditions of the Policy remain unchanged.

Endorsement effective: 01/23/2023
Endorsement No: 6

Policy No.: UKA3014575.23
Processed Date: 01/20/2023

By : Kevin Kerridge
(Appointed Representative)



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Policy Number: UKA3014575.23

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E1437.1 South Carolina Amendatory Endorsement

In consideration of the premium charged, and on the understanding this endorsement leaves all other terms, conditions, and exclusions unchanged, it is agreed the Kidnap and Ransom Insurance Policy is amended as follows:

- I. In Section VI. Conditions, B. Cancellation, is deleted in its entirety and replaced with the following.
 - B. Cancellation - This Policy may be cancelled by the **Named Insured** by giving written notice to the Company stating when thereafter such cancellation shall be effective. This Policy also may be cancelled by the Company, but solely as a result of non-payment of premium by the **Named Insured**. In such event, the Company shall mail by registered, certified, or other first class-mail (or email where allowed by applicable law), at the **Named Insured's** last known address (or email address) on file with the Company, written notice of cancellation to the **Named Insured** and the **Named Insured's** agent not less than thirty (30) days prior to the effective date of cancellation. The mailing (or emailing) of such notice will be sufficient proof of notice, and this Policy will terminate at the date and hour specified in the notice. Earned premium shall be calculated on a pro rata basis. Payment or tender of any unearned premium by the Company will not be a condition precedent to the cancellation, but such payment will be made as soon as possible.
- II. The following is added to Section VI. Conditions:
 - NR-A Non-renewal
If the Company elects not to renew this Policy, the Company will mail (or email where allowed by applicable law) or deliver to the **Named Insured** and its agent, written notice of non-renewal stating the reason(s) for non-renewal:
 1. not less than 60 days before the end of the **Policy Period**, when non-renewal is to become effective between November 1 and May 31: or
 2. not less than 90 days before the end of the **Policy Period**, when non-renewal is to become effective between June 1 and October 31.The Company will mail (or email) or deliver the notice of non-renewal to the **Named Insured** at the last known mailing address (or email address) on file with the Company. If the notice of non-renewal is mailed (or emailed), proof of mailing (or emailing) will be sufficient proof of notice.

K&R E1437 SC (01/18)

Endorsement effective: 01/23/2023

Endorsement No: 7

Policy No.: UKA3014575.23

Processed Date: 01/20/2023

By : Kevin Kerridge
(Appointed Representative)

Endorsement 8

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E1329.1 Colleges & Universities Coverage Amendatory Endorsement (ASRM)

In consideration of the premium charged and on the understanding that all other terms, conditions and exclusions remain unchanged, it is agreed the Policy is amended as follows:

In Section III. Definitions, the definition of "**Insured Person**" is deleted in its entirety and replaced with the following:

Insured Person means:

- (1) anyone specified under Item II. Coverage Details, **Insured Persons**, of the Declarations;
- (2) the spouse, domestic partner, relative, fiancé or fiancée, lineal descendant or a living ancestor, including but not limited to step-parents, step-children, stepsiblings, foster children, adopted children, adoptive parents and spouses thereof, of either an **Insured Person** or the spouse of an **Insured Person**;
- (3) a person normally resident or employed in the household and/or grounds of an **Insured Person**;
- (4) a guest in the home of an **Insured Person**;
- (5) guests, customers or any other individual travelling with an **Insured Person** in the conduct of business;
- (6) a guest or customer of the **Named Insured** while on the **Named Insured's** real property, premises occupied by the **Named Insured** in the conduct of its business, or on board any vehicle, aircraft or waterborne vessel owned or leased by the **Named Insured** or an **Insured Person**;
- (7) a person who is temporarily employed for the sole purpose of negotiating and/or delivering a **Ransom**;
- (8) all directors, officers, employees, students, volunteers and faculty of the **Named Insured** who are on sabbatical; or
- (9) a person while attending or participating in an activity organized by the **Named Insured**.

K&R E1329 CW (01/18)

Endorsement effective: 01/23/2023

Policy No.: UKA3014575.23

Endorsement No: 8

Processed Date:01/20/2023



By : Kevin Kerridge
(Appointed Representative)



HISCOX INSURANCE COMPANY INC. (A Stock Company)

30 North LaSalle Street, Suite 1760, Chicago, IL 60602
(646) 452-2353

Policy Number: UKA3014575.23

Endorsement 9

Page 1 of 2

E1347.1 Cyber Extortion Exclusion Endorsement

In consideration of the premium charged, and on the understanding this rider leaves all other terms, conditions, and exclusions unchanged, it is agreed the Kidnap and Ransom Insurance Policy is amended as follows:

- I. The following exclusion is added to the end of Section V. **Exclusions**:

Cyber Extortion	CE-1.	Any Insured Loss or other loss (whether described in the Policy or added by Endorsement), claim, damage, cost, fee, expense, Ransom , or loss in transit of Ransom , arising out of, in whole or in part, or in any way related to any Cyber Extortion , including but not limited to Cyber Extortion of any Named Insured , Insured Person , or any client or customer of the Named Insured or an Insured Person .
-----------------	-------	--
- II. Section II. **Insured Events** is deleted in its entirety and replaced with the following:
A Kidnap, Extortion, Detention, Hijack, Child Abduction, Disappearance, Express Kidnap, Hostage Crisis, or a series of **Connected Events**.
- III. In Section III. **Definitions**, the definition of "**Connected Events**" is deleted in its entirety and replaced with the following:
Connected Events means **Kidnap, Extortion, Detention, Hijack, Child Abduction, Disappearance, Express Kidnap**, or **Hostage Crisis** events that are or were carried out in furtherance one of another or as part of a common scheme, as evidenced by the demand(s) or the making of such demand(s). Such events shall be deemed to be connected and constitute a single **Insured Event**. Nevertheless, there shall be no liability hereunder in respect of a series of such events, the first of which began before the Period of Insurance.
- IV. In Section III. **Definitions**, the first sentence of the "**Personal Accident**" definition is deleted in its entirety and replaced with the following:
Personal Accident means injury sustained by an **Insured Person**, solely and directly as a result of a **Kidnap, Extortion, Detention, Hijack, Express Kidnap**, or **Hostage Crisis**, or attempt thereat, provided that such injury, within twelve (12) calendar months from the date of the **Insured Event**, results in any one of the following:
- V. In Section III. **Definitions**, subsection (5) of the "**Personal Accident**" is deleted in its entirety and replaced with the following:
Death of an Insured Person.

If an **Insured Person** disappears while this Policy is in effect and his or her body is not found within twelve (12) months after such disappearance and sufficient evidence is produced satisfactory to the Company that leads inevitably to the conclusion that the **Insured Person** sustained death solely and directly as a result of a **Kidnap, Extortion, Detention, Hijack, Express Kidnap**, or **Hostage Crisis**, or attempt thereat, the Company shall forthwith pay the death benefit under this insurance, provided that the person or persons to whom such a sum is payable shall sign an undertaking to refund such sum to the Company if the **Insured Person** is subsequently found to be living.
- VI. In Section III. **Definitions**, the definition of "**Ransom**" is deleted in its entirety and replaced with the following:
Ransom means cash and/or marketable securities, goods, **Property**, or services surrendered or to be surrendered by or on behalf of the **Named Insured** or an **Insured Person(s)** to meet a **Kidnap, Extortion, Hijack, Express Kidnap**, or **Hostage Crisis** demand.

Endorsement 9

Page 2 of 2

- VII. Section IV. **Insured Loss**, subsection C. is deleted in its entirety.
- VIII. Section IV. **Insured Loss**, subsection D. is deleted in its entirety and replaced with the following:
The Company's obligation to pay for damages or injuries sustained by an **Insured Person** as a result of a **Personal Accident**, resulting from a **Kidnap, Extortion, Detention, Hijack, Express Kidnap, or Hostage Crisis** shall not exceed those amounts specified in Item III. Insured Loss of the Declarations.
- IX. In Section V. **Exclusions**, the "Criminal Act of an Insured" exclusion is deleted in its entirety and replaced with the following:
B. In respect of **Kidnap, Extortion, Hijack, Child Abduction, Disappearance, Express Kidnap, or Hostage Crisis** only, a fraudulent or criminal act of the **Named Insured**, a director, officer, employee, or agent of the **Named Insured**, or an **Insured Person** or agent thereof, whether acting alone or in collusion with others and sanctioned by the **Named Insured**.
- X. Section VI. **Conditions**, O. Other Insurance is deleted in its entirety and replaced with the following:
This Policy is primary except when it is expressly stated to be excess over any other insurance. If this Policy and any other insurance available to the **Named Insured** or any **Insured Person(s)** applies to an **Insured Event** on the same basis, whether primary or excess, then the Company shall not be liable under this Policy for a greater proportion of any **Insured Loss** than the applicable Limit of Liability under this Policy bears to the total limits of liability of all valid and collectible insurance available to the **Named Insured** and any **Insured Persons** for such **Insured Loss**.
- XI. The terms and conditions of this Endorsement will supersede any other terms or conditions contained in this Policy or in any Endorsement attached to and forming a part of the Policy. Any reference to coverage for "**Cyber Extortion**" in any Endorsement attached to and forming a part of the Policy is deleted in its entirety.

Endorsement effective: 01/23/2023
Endorsement No: 9Policy No.: UKA3014575.23
Processed Date: 01/20/2023By : Kevin Kerridge
(Appointed Representative)



HISCOX INSURANCE COMPANY INC. (A Stock Company)

30 North LaSalle Street, Suite 1760, Chicago, IL 60602
(646) 452-2353

Policy Number: UKA3014575.23

Endorsement 10

Page 1 of 1

Endorsement effective: 01/23/2023
Endorsement No: 10

Policy No.: UKA3014575.23
Processed Date: 01/20/2023

By : Kevin Kerridge
(Appointed Representative)



CRISIS RESPONSE: KIDNAP, EXTORTION AND ILLEGAL DETENTION

PROCEDURE GUIDELINES

Confidential
February 2019

Control Risks Group Limited | Cottons Centre | Cottons Lane London SE1 2QG | United Kingdom
+44 20 7970 2100 enquiries@controlrisks.com



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CRISIS RESPONSE PROCEDURE

**CALL CONTROL RISKS - CRISIS RESPONSE
CONSULTANCY ON 24 HOUR EMERGENCY NUMBER:**

+ 44 20 7939 8900

OR

1-800-831-1985

Please ask for the Response Duty Officer.

Our consultants have extensive experience in responding to kidnap and extortion demands and other crises, and will be able to assist you in planning your immediate response.

PLEASE NOTIFY INCIDENTS IMMEDIATELY



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Crisis Response Procedure – Insurance

1. Introduction

- 1.1. The following Crisis Response Procedure Guidelines do not mention insurance and are therefore a suitable basis for instructions which can be sent to selected executives, to whom the existence of insurance must not be disclosed. It is suggested that it should be typed on head office notepaper and circulated as for other top priority instructions to senior executives.
- 1.2. In addition it is essential that underwriters or their special advisors are notified of an incident as soon as possible so that they can provide assistance to an insured.

2. In preparation for an incident

- 2.1. Circulate copies of the Crisis Response Procedure Guidelines to selected executives.
- 2.2. Establish:
 - a. A line of communication so that one of the limited number of people who are aware of the existence of insurance, is advised of an incident as soon as possible;
 - b. Procedures for dealing with the media;
 - c. Who would prove a suitable communicator;
 - d. Communication channels between Head Office, subsidiary, communicator and the victim's family.

3. In the event of a kidnap/extortion/illegal detention

- 3.1. In the event of kidnap, extortion or illegal detention incident, and particularly if notified of a ransom/extortion demand, immediately advise Control Risks using the contact details above.
- 3.2. Give the Control Risks representative all the relevant information reasonably requested. Control Risks has extensive experience in responding to kidnap and extortion demands, and will be able to assist you in planning your immediate response.



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CRISIS RESPONSE PROCEDURE GUIDELINES

INTRODUCTION

Although we have no reason to believe that we are more exposed than any other organisation operating in the same field, we do believe it prudent to be prepared.

Regrettably, kidnapping and extortion have become commonplace throughout the world.

Every incident is unique, but there are common factors in all kidnaps and extortions which make it possible, and advisable, to pre-plan general procedures. What follows are outline procedures to be followed in the event of a kidnap or extortion occurring.

KIDNAP OR HOSTAGE INCIDENTS

In the event of a kidnap or hostage incident, the following procedures must be carried out immediately:

Inform one of the following three people (designated employees of the company) by fastest possible means, giving the details below:

1. Name:	Tel.:	Mobile/cell:
2. Name:	Tel.:	Mobile/cell:
3. Name:	Tel.:	Mobile/cell:

Essential information:

- ▶ Identity of victim
- ▶ Date and time of abduction
- ▶ Location and method of abduction
- ▶ Demands made, if any
- ▶ Method used by kidnappers to transmit their demands
- ▶ Casualties, if any
- ▶ Company action to date
- ▶ Any law enforcement involvement
- ▶ Any press involvement



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- ▶ Kidnap group's identity, if known
- ▶ Details and location of victim's family
- ▶ Where you can be contacted for the next few hours

Negotiation

Until the arrival of the company's authorized advisor, ensure that the following actions are carried out by the communicator who has been designated and authorized by head office to answer calls made by the kidnappers.

- a. Make every effort to remain calm and relaxed. Adopt a helpful attitude to the caller along the lines of, "will do all in my power to help, but the decisions are not mine". Express concern about the victim.
- b. Ask to speak to the victim. If not allowed to do so, ask the kidnappers a proof of life question to establish that the victim is alive and unharmed. This question must be phrased so that only the victim can answer it accurately.
- c. Indicate willingness to co-operate but try to avoid entering into a financial negotiation with the kidnappers until the arrival of the advisor. Always try to introduce a delay by claiming that you are not authorized to make any decisions.
- d. Fix time for future calls. Ensure all calls are recorded. If this is not possible, ensure you write down the exact script of the call as accurately as possible. The following details about the caller and call would also be helpful:
 - ▶ Male/female
 - ▶ Young/old
 - ▶ Type of accent
 - ▶ Local or long distance call
 - ▶ Tone of voice, mental state (calm, frantic, angry, distraught)
 - ▶ Background noises
 - ▶ Type of telephone used (public, automatic, operator)
 - ▶ Exact time and duration of call
- e. Ensure you maintain a detailed diary of events which must include:
 - ▶ Date, time and type of all communications with kidnappers.
 - ▶ Date and time of all significant events.



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- ▶ Details of all meetings, who attended and what was said.

- f. Ensure no interviews are given to the media. All enquiries by the media should be handled by one nominated representative, who should politely offer a statement along the lines of, "we are sure you will understand that we cannot say anything at the moment but will provide an update at the appropriate moment".
- g. Ensure the family is looked after and additional protection is arranged, if necessary.

Other forms of contact

If written, typed or packaged communications are delivered, the following should be carried out:

- a. Instructions to collect packages in public and safe places should be followed rapidly. At least two people with escorts should collect.
- b. All such communications should be handled with care. Copies (a limited and accountable number for head office, the Incident Management Team and possibly the law enforcement agencies) should be made and the originals kept safely for future use.
- c. Letters from the victim to their family must be opened and read before reaching the family.
- d. Ensure that the company maintains a copy of all documentation before it is handed over to other agencies.

Threat extortions (no hostages)

If the extortion demand is based on threats, whether they are to people, assets, systems, data or products, but with no hostages, consider the following at the outset:

- a. Make an assessment of the credibility of the threat and any indications of the extortionist's capability to carry out the threats.
- b. Ensure that knowledge of the incident is confined to a small group of people within and outside the company who need to know what has occurred. Make certain one of those is the executive responsible for public relations, so that a detailed plan of response to a media enquiry can be initiated.



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- c. Consider short term preventive security measures to prevent the threat being carried out.
- d. Do not respond to the extortionist's request to signal agreement of your compliance until you have discussed this with law enforcement agencies and the company's special advisors.



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GLOBAL RISK DATA (GRD) USER GUIDE

This document is intended as an introduction to the Global Risk Data (GRD) service.

About Global Risk Data

Hiscox, in conjunction with Control Risks and International SOS, has developed an exclusive website which provides analysis on issues relating to kidnap, travel security and other security risks. The site covers those issues at a global, regional and country level. On a country-by-country basis, clients will find timely analysis relating to current kidnapping and travel issues; risk ratings and summaries for security, travel and kidnap threats; detailed analysis of longer-term kidnapping trends; and evacuation monitoring.

Homepage

Upon signing in to the site clients will land on the homepage, which is updated throughout the day with the latest headlines relating to kidnapping-for-ransom and travel security. From this page clients can click on any of the tiles, including:

- ▶ “Updates” (1) to see an extended list of recent headlines, which can be sorted by risk type, time and location
- ▶ One of the regions listed at the top of the page (2) to examine that region in more detail
- ▶ The map (3) to expand the map and view recent updates in map format

Control Risks Global Risk Data 2 HISCOX

1 UPDATES

2 AFRICA AMERICAS ASIA & THE PACIFIC EUROPE & CIS MIDDLE EAST & NORTH AFRICA

3

KIDNAP

PIRACY

EVACUATION MONITOR

RISK RATINGS

AFGHANISTAN

EXTREME EXTREME EXTREME

ADVICE AND GUIDELINES

OTHER SPECIAL RISKS

THREATS THREAT EXTORTION

CYBER EXTORTION PRODUCT EXTORTION

DETENTION VIRTUAL KIDNAP

THOUGHT LEADERSHIP

PERPETRATOR TYPES

What's new core



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Country pages

Clients can access country pages in two ways:

- ▶ By clicking on one of the region tabs (1) and then on the country/territory dropdown list (2)
- ▶ By clicking on the A-Z icon in the top right hand corner of any page (3), which brings up an alphabetized list of all countries and territories

The screenshot displays the ControlRisks Global Risk Data interface. The top navigation bar includes the ControlRisks logo, the text 'Global Risk Data', the HISCOX logo, a search bar, and icons for help, settings, and a document. Below the navigation bar, a series of region tabs are shown: GLOBAL ISSUES, AFRICA, AMERICAS (highlighted with a red box and labeled '1'), ASIA & THE PACIFIC, EUROPE & CIS, and MIDDLE EAST & NORTH AFRICA. To the right of these tabs is an 'A-Z' icon (highlighted with a red box and labeled '3'). The main content area is titled 'AMERICAS' and features a 'Country/Territory' dropdown menu (highlighted with a red box and labeled '2') that is open, showing a list of countries and territories including Guadeloupe, Guatemala, Guyana, Haiti, Honduras, Jamaica, Martinique, Mexico, Montserrat, Nicaragua, and Panama. Below the dropdown menu, there are sections for 'UPDATES' (showing news for Puerto Rico and Brazil) and 'EVACUATION MONITOR'. To the right of the dropdown menu, there are sections for 'RISK RATINGS' (showing ratings for Anguilla) and a 'What's new' section. At the bottom right, there is a world map with a search bar and a 'core' logo.



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Once on a country page clients can use the menu function on the left hand side to access travel security and kidnap-for-ransom-specific risk information (1) and click on the “zones” toggle (2) to view regional risk rating variations.

ControlRisks Global Risk Data

HISCOX

Search...

GLOBAL ISSUES AFRICA AMERICAS ASIA & THE PACIFIC EUROPE & CIS MIDDLE EAST & NORTH AFRICA

MEXICO

OVERVIEW

SECURITY RISK

OVERVIEW

UPDATES

PROFILE

RISK RATINGS

Sh:

Country

 ZONES TRAVEL

WEEKLY DAILY MONTHLY

1

2

UPDATES

H MEXICO

16 FEBRUARY 2019 19:41

ENSENADA: Shooting outside hotel underlines risks posed by violent crime, need for stringent precautions

SECURITY

FRAMED

H MEXICO

16 FEBRUARY 2019 16:27

FLIGHTS resume at Toluca airport following runway closure (Revised)

SECURITY

FRAMED

H MEXICO

16 FEBRUARY 2019 14:22

GUERRERO STATE: Kidnap, release of security officials in Chilapa de Álvarez highlights state's HIGH risk rating

SECURITY

FRAMED

H MEXICO

16 FEBRUARY 2019 07:34

PUERTO VALLARTA: Anticipate, avoid further protests by drivers of app-based ride-share services

SECURITY

FRAMED

H MEXICO

16 FEBRUARY 2019 04:01

GUANAJUATO CITY: Incidental shooting of tourists highlights risks of violent crime even in MEDIUM risk areas

SECURITY

FRAMED

H MEXICO

16 FEBRUARY 2019 03:24

TIJUANA: Expect increased security amid new anti-crime initiative

SECURITY

FRAMED

H MEXICO

16 FEBRUARY 2019 02:08

MEXICO CITY: Avoid protests associated with ongoing strike by university workers

SECURITY

FRAMED

DISASTER

DISASTER

DISASTER

17 FEBRUARY 2019 14:51

MINOR damage reported following strong earthquake in Mexico's Chiapas state; continue to exercise caution (Revised)

SECURITY

FRAMED

H MEXICO

16 FEBRUARY 2019 10:00

GUANAJUATO STATE: Roadblocks, clashes with security forces in Villagrán highlight incidental risks from cartel activity, crime

SECURITY

FRAMED

H MEXICO

16 FEBRUARY 2019 09:06

MEXICO CITY: Avoid planned protest on 2 February over insecurity

SECURITY

FRAMED

Travel Risk Summary

The main risk to foreign business visitors is posed by violent and opportunistic crime. Crime rates are generally higher in major urban areas. Many cities have distinct areas where organised criminal groups with links to drug cartels operate. While travellers are generally not targeted by drug cartels, they face serious risks from collateral violence during clashes between opposing cartel members, or between criminals and the security forces.

In response to the growing violence perpetrated by drug cartels, then-president Felipe Calderón (2006-12) deployed the military to confront the issue in 2006. Due to high levels of corruption in the police force, the newly reformed Federal Police also became a key element in the fight against drug cartels. These initiatives have failed to curb the violence, and drug trade-related violence has increased significantly since then. Several regions in Mexico, particularly along the

What's new

core

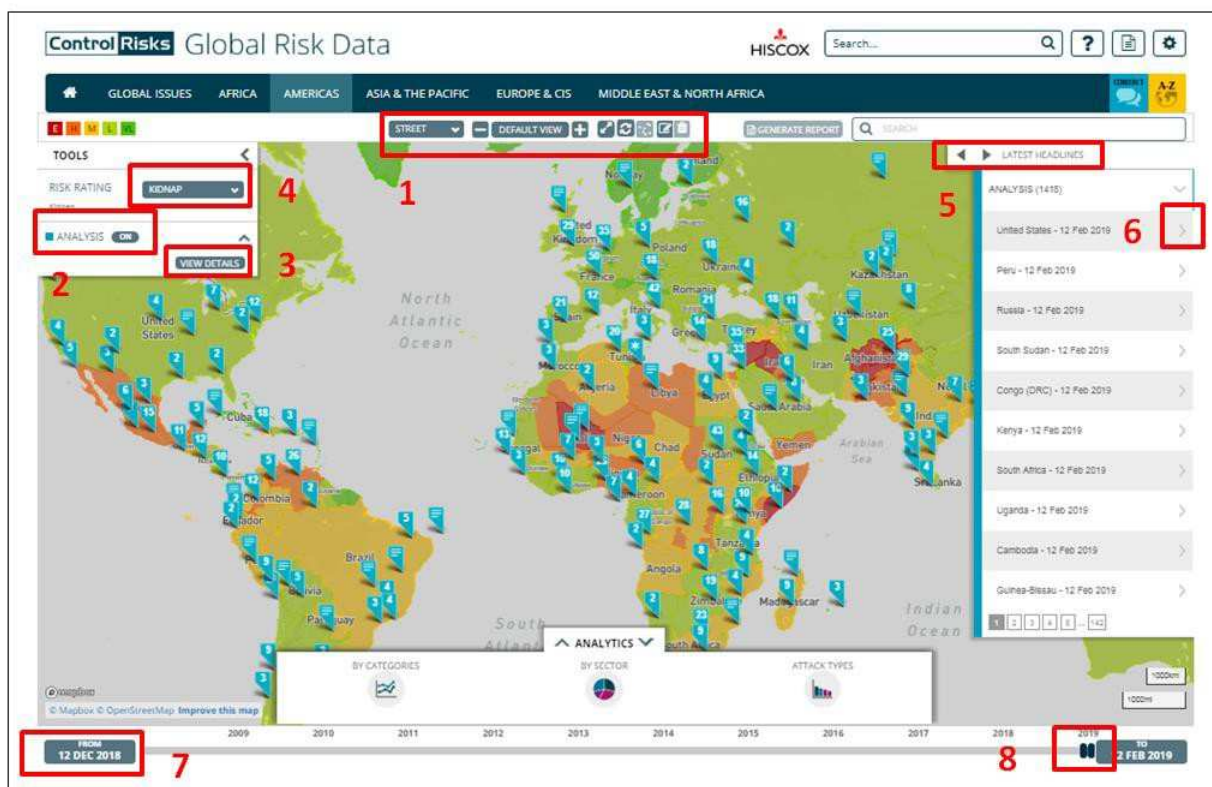
Search

United States

MEXICO

Wherever clients see a map they can click the expand toggle to use the site in map view. This opens up a number of features including:

- ▶ Changing the map view, zoom level and size (1)
- ▶ Turning analysis update markers on and off (2)
- ▶ Viewing details for the latest analysis (3,5,6)
- ▶ Applying different risk rating layers to the map (4)
- ▶ Amend the timeline (7,8) to obtain analysis for specific time periods





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In addition to country-specific information Control Risks provides information on a number of trans-national issues, which can be accessed by clicking on the “global issues” tab (1) and then selecting the relevant issue from the drop down menu on the left-hand side (2). This section also includes preventative advice in relation to kidnapping and guidelines for organizations on responding to incidents.

Control Risks

Global Risk Data

HISCOX

Search...

?

⚙

GLOBAL ISSUES

AFRICA

AMERICAS

ASIA & THE PACIFIC

EUROPE & CIS

MIDDLE EAST & NORTH AFRICA

CONTACT

A-Z

GLOBAL ISSUES

THOUGHT LEADERSHIP

KIDNAP

PIRACY

ADVICE AND GUIDELINES

OTHER SPECIAL RISKS

Thought Leadership

Insights into emerging trends in the special risks landscape:

- August 2018. Podcast: Kidnap risk increases in Cameroon.
- July 2018. Kidnapping for crypto-ransom: the latest fashion or here to stay?
- May 2018. Podcast: Virtual kidnapping in the United States.
- March 2018. 2017 kidnapping trends in review and infographic.
- March 2018. Podcast: Maritime hijacks increase in Gulf of Guinea.
- February 2018. Podcast: The kidnap and security threat in Syria.

Search

What's new

core

2



Hiscox Insurance Company Inc.

Kidnap and Ransom Insurance Policy

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Hiscox Insurance Company Inc.

Kidnap and Ransom Insurance Policy

This Policy provides coverage for **Insured Events** which commence during the Period of Insurance. Various provisions of the Policy restrict coverage. Please read the entire Policy carefully and discuss with your insurance broker or adviser. Refer to the Definitions section for words and phrases in bold, which have special meaning.

I. Coverage

In consideration of the payment of the required premium(s), and subject to the terms, limitations, conditions and exclusions set forth below, the Company agrees to indemnify the **Named Insured** in respect of **Insured Loss** sustained directly because of **Insured Events**, all as defined in this Policy, which commence during the Period of Insurance and within the Territory set forth in Item II. Coverage Details of the Declarations. Reference to the Declarations shall determine the Limits of Liability that apply.

II. Insured Events

A **Kidnap, Extortion, Detention, Hijack, Child Abduction, Cyber Extortion, Disappearance, Express Kidnap, Hostage Crisis** or a series of **Connected Events**.

III. Definitions

Words and phrases in bold shall have the meanings set forth below.

Child Abduction means the wrongful and illegal seizure of a **Covered Child**, by someone other than **Parent(s)** or an agent thereof, from the **Named Insured's Property** without a demand for a **Ransom**.

Computer Virus means any malicious software designed to damage, destroy or corrupt the **Named Insured's Electronic Property**.

Connected Events means **Kidnap, Extortion, Detention, Hijack, Child Abduction, Cyber Extortion, Disappearance, Express Kidnap** or **Hostage Crisis** events that are or were carried out in furtherance one of another or as part of a common scheme, as evidenced by the demand(s) or the making of such demand(s). Such events shall be deemed to be connected and constitute a single **Insured Event**. Nevertheless, there shall be no liability hereunder in respect of a series of such events the first of which began before the Period of Insurance.

Covered Child means a child under the care, custody and control of the **Named Insured** by registration or enrolment and/or a newly born infant delivered in the **Named Insured's Property**. A **Covered Child** must be eighteen (18) years of age or under at the time of the **Child Abduction**.

Cyber Extortion means the making of illegal threats directly to the **Named Insured** or to an **Insured Person** to:

- (1) cause damage to or loss of **Electronic Property**, including the modification of data or denial of access to computer or network services; or
- (2) introduce a **Computer Virus**; or
- (3) disclose, disseminate or utilize electronically held **Trade Secrets** or electronically held **Proprietary Information**,

by persons who then demand a **Ransom** as a condition of not carrying out such threats.

Detention means the holding under duress of an **Insured Person** for whatever reason, for a period of no less than three (3) hours, and whether by authorities legally constituted in the place of custody or by others. If held by legal government authorities the detention must be the result of malicious and false accusations against the **Named Insured** or **Insured Person** of a criminal offence made solely and directly to achieve a political, propaganda or coercive effect upon or at the expense of the **Named Insured, Insured Person** or country in which the **Named Insured** has its headquarters or of which the



Hiscox Insurance Company Inc.

Kidnap and Ransom Insurance Policy

Insured Person is a national.

Disappearance means the unexplained vanishing or removal from public view of an **Insured Person** for a period exceeding thirty-six (36) hours without a subsequent **Ransom** demand, provided the missing **Insured Person** has been reported to local law enforcement authorities. With respect to **Insured Loss** for **Disappearance**, the Company's liability shall be for no longer than the period specified in Item III. Insured Loss of the Declarations, starting from the date coverage is triggered.

Electronic Property means all computer hardware, software, websites, computer systems or electronic data owned, controlled or leased by the **Named Insured** or an **Insured Person** or for which the **Named Insured** or an **Insured Person** is legally liable.

Express Kidnap means the **Hijack** or **Kidnap** of an **Insured Person** for a period of less than twenty-four (24) hours by persons who demand or intend to demand specifically from the assets of an **Insured Person** a **Ransom** as a condition of their release.

Extortion means the making of illegal threats either directly or indirectly to the **Named Insured** or to an **Insured Person** to:

- (1) kill, injure or abduct an **Insured Person**;
- (2) pollute or cause physical damage or loss to **Property**;
- (3) disseminate, divulge or utilize **Trade Secrets** or **Proprietary Information** including any personal, private or confidential data; or
- (4) commit a **Products Extortion**,

by persons who then demand a **Ransom** as a condition of not carrying out such threats. **Extortion** does not mean and will not include any **Cyber Extortion** event or other event involving **Electronic Property**.

Hijack means the attempted or actual illegal holding under duress of an **Insured Person** for a period in excess of three (3) hours whilst travelling in or on any aircraft, motor vehicle, railroad train or waterborne vessel or any other form of public or private transport.

Hostage Crisis means the illegal holding of one or more **Insured Person(s)**, for a period in excess of one (1) hour, by persons who demand that a set of specified terms are met as a condition of the release of such **Insured Person(s)** and where the party negotiating for the release of such **Insured Person(s)** is within sight or hearing distance of the **Insured Person(s)**. In respect of **Hostage Crisis**, demands for specified terms must be made against the **Named Insured**. Demands for specified terms may include, but are not limited to, demands for **Ransom**.

Informant means a person providing information not otherwise obtainable and solely in return for a monetary payment or other award by the **Named Insured** or an **Insured Person**.

Insured Event means any event specified in section II. of this Policy.

Insured Loss means any amounts specified in section IV. of this Policy.

Insured Person means:

- (1) anyone specified under Item II. Coverage Details, **Insured Persons**, of the Declarations;
- (2) the spouse, domestic partner, relative, fiancé or fiancée, lineal descendant or a living ancestor, including but not limited to step-parents, step-children, step-siblings, foster children, adopted children, adoptive parents and spouses thereof, of either an **Insured Person** or the spouse of an **Insured Person**;
- (3) a person normally resident or employed in the household and/or on the grounds of an **Insured**



Hiscox Insurance Company Inc.

Kidnap and Ransom Insurance Policy

Person;

- (4) a guest in the home of an **Insured Person**;
- (5) guests, customers or any other individual travelling with an **Insured Person** in the conduct of business;
- (6) a guest or customer of the **Named Insured** while on any real property which premises are occupied by the **Named Insured** in the conduct of its business, or a guest or customer on board any vehicle, aircraft or waterborne vessel owned or leased by the **Named Insured** or an **Insured Person**; or
- (7) a person who is temporarily employed for the sole purpose of negotiating and/or delivering a **Ransom**.

Kidnap means the actual, alleged or attempted illegal taking and holding captive of one or more **Insured Persons** by persons who demand or intend to demand specifically from assets of the **Named Insured** or **Insured Person** a **Ransom** as a condition of the release of such captive(s).

Named Insured means the entity or person specified under Item I. General Details of the Declarations.

Parent(s) means the natural mother or father, step-mother or step-father, adoptive mother or adoptive father or foster mother or foster father of the **Covered Child**.

Personal Accident means injury sustained by an **Insured Person**, solely and directly as a result of a **Kidnap, Cyber Extortion, Extortion, Detention, Hijack, Express Kidnap or Hostage Crisis**, or attempt thereat, provided that such injury, within twelve (12) calendar months from the date of the **Insured Event**, results in any one of the following:

- (1) Loss of Sight – the entire and irrevocable loss of vision of one or both eyes, as certified by a qualified practitioner specializing in ophthalmology and approved by the Company;
- (2) Loss of Extremity – the permanent physical separation or the total and irrecoverable loss of use of one or more finger(s), toe(s), ear(s), nose or genital organ(s), or part(s) thereof, caused by deliberate mutilation;
- (3) Loss of Limb – the permanent loss by separation or the total and irrecoverable loss of use of one or both hand(s) at or above the wrist or a foot or both feet at or above the ankle;
- (4) Permanent Total Disablement – bodily injury which necessarily and continuously prevents an **Insured Person** from attending to every aspect of his or her normal business or occupation for a period of twelve (12) consecutive calendar months or, if the **Insured Person** has no business or occupation, confines him or her immediately and continuously to the home and prevents him or her from attending to normal duties of daily life; provided that at the end of such twelve-month period, two (2) qualified medical practitioners, who have been approved by the Company, certify that the **Insured Person** is disabled and beyond hope of improvement; or
- (5) Death of an **Insured Person**.

If an **Insured Person** disappears while this Policy is in effect and his or her body is not found within twelve (12) months after such disappearance and sufficient evidence is produced satisfactory to the Company that leads inevitably to the conclusion that the **Insured Person** sustained death solely and directly as a result of a **Kidnap, Cyber Extortion, Extortion, Detention, Hijack, Express Kidnap or Hostage Crisis**, or attempt thereat, the Company shall forthwith pay the death benefit under this insurance provided that the person or persons to whom such a sum is payable shall sign an undertaking to refund such sum to the Company if the **Insured Person** is subsequently found to be living.

Insured Loss shall not exceed those amounts specified in Item III. Insured Loss of the Declarations.



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Kidnap and Ransom Insurance Policy

Personal Financial Loss means loss suffered by an **Insured Person** solely as a result of the physical inability of a **Kidnap, Extortion, Detention, Hijack, Express Kidnap** or **Hostage Crisis** victim to attend to personal financial matters.

Premises means the interior of that portion of any building the **Named Insured** occupies in conducting business operations.

Products means the **Named Insured's** non-electronic products, non-electronic products which are to be represented as such and/or non-electronic products which are handled by the **Named Insured**.

Products Extortion means the making of illegal threats to the **Named Insured** or the publication of information that **Products** produced, handled or sold by the **Named Insured** will be or have been contaminated, polluted or rendered substandard, where such threats are accompanied by a demand for **Ransom**, either:

- (1) as a condition of not carrying out such threats; or
- (2) before providing further information about the affected **Products**.

Property means all real or personal property, including buildings (including fixtures, fittings, works of art and other contents), plant and equipment, whether fixed or mobile (including vessels and aircraft), and/or bloodstock and livestock, owned or leased by the **Named Insured** or an **Insured Person** for which the **Named Insured** or an **Insured Person** is legally liable. **Property** does not mean and shall not include **Electronic Property**.

Proprietary Information means any confidential, private or secret information unique to the **Named Insured**, the **Named Insured's** business or an **Insured Person**.

Ransom means cash and/or marketable securities, goods, **Property** or services surrendered or to be surrendered by or on behalf of the **Named Insured** or an **Insured Person(s)** to meet a **Kidnap, Extortion, Hijack, Cyber Extortion, Express Kidnap** or **Hostage Crisis** demand.

Subsidiary means any entity which the **Named Insured**:

- (1) owns directly or through one or more of its subsidiaries more than fifty percent (50%) of the share capital or a majority of the voting rights or has the right to appoint or remove a majority of the entity's board of directors; or
- (2) controls a majority of its voting rights under a written agreement with other shareholders or members.

If an entity ceases to be **Subsidiary** during the Period of Insurance, cover will continue but only for an **Insured Event** which commenced prior to the date on which that entity ceased to be a **Subsidiary**.

Trade Secrets means information (including formula, pattern and compilation of data, program, device, method, technique or process), which:

- (1) is particular to the **Named Insured** in the conduct of his, her or its business; and
- (2) for reason of its potential commercial value to others, the **Named Insured** makes constant and conscious efforts not to disclose to any third party.

IV. Insured Loss

A. The Company's obligation to pay for **Insured Loss** resulting from a **Kidnap, Extortion, Child Abduction, Detention, Hijack, Disappearance, Express Kidnap** or **Hostage Crisis** shall not exceed the applicable amounts stated in Item III. Insured Loss of the Declarations and shall be limited to the following:

- (1) Ransom: **Ransom** which has been surrendered; in the case of marketable goods or services, the Company shall pay the actual cash value thereof at the time of surrender.



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- (2) Ransom in Transit: The loss in transit of a **Ransom** due to actual damage, destruction, disappearance, confiscation or wrongful abstraction, while the **Ransom** is being conveyed to such persons who have demanded it, provided the individual who is engaged in the conveyance has been duly authorized to do so by the **Named Insured** or an **Insured Person**.
- (3) Control Risks Fees and Expenses: The fees and expenses of Control Risks and/or alternative Security Consultants as agreed by the Company.
- (4) Additional Expenses: Additional expenses necessarily incurred by the **Named Insured** or an **Insured Person** immediately following and for the duration of a **Kidnap, Extortion, Child Abduction, Detention, Hijack, Disappearance, Express Kidnap** or **Hostage Crisis**, consisting of:
 - (a) fees and expenses of an independent negotiator engaged by the **Named Insured** with the prior authorization of the Company;
 - (b) fees and expenses of an independent public relations consultant, product recall consultant and/or interpreter;
 - (c) costs of travel and accommodation incurred by the **Named Insured**, an **Insured Person** or **Parent(s)**;
 - (d) the costs of travel of a **Kidnap, Child Abduction, Detention, Hijack, Disappearance, Express Kidnap** and/or **Hostage Crisis** victim and his or her family to the country of which the victim is a national and the travel costs of a victim's replacement and his or her family to the country in which the event occurred. These costs shall only apply once per **Insured Person** per **Kidnap, Child Abduction, Detention, Hijack, Disappearance, Express Kidnap** and/or **Hostage Crisis** event;
 - (e) fees for independent psychiatric, medical and/or dental care, including any costs for care by a neurologist or psychologist and any expenses of confinement, and/or legal advice, incurred prior to and/or within thirty-six (36) months following the release of the **Insured Person** in a **Kidnap, Detention, Extortion, Hijack, Disappearance, Express Kidnap** and/or **Hostage Crisis** event;
 - (f) fees for independent psychiatric and/or medical care, including any costs for care by a neurologist or psychologist and any expenses of confinement, incurred for a **Covered Child** as a result of a **Child Abduction**, and beginning on the date of the release of the **Covered Child** and continuing up to twelve (12) months thereafter;
 - (g) fees for independent psychiatric care, including any costs for care by a neurologist or psychologist and any expenses of confinement, for the **Parent(s)** or siblings of a **Covered Child** as a result of a **Child Abduction**, up to three (3) months after the release or discovery or the death a **Covered Child** or twelve (12) months after the date of the **Child Abduction**, whichever occurs first;
 - (h) reward or other monetary consideration paid by the **Named Insured** or an **Insured Person** to an **informant** for material information which is not otherwise obtainable and which directly leads to recovery of the victim or his or her remains;
 - (i) reward paid by the **Named Insured** or **Parent(s)** to an **informant** for information which directly assists the **Named Insured** or the **Parent(s)** in their negotiations, assists to obtain the safe release of the **Covered Child** and/or which leads to the arrest and conviction of parties responsible for the **Child Abduction**;
 - (j) publicity costs incurred solely and directly to assist in the resolution of a **Child Abduction**;
 - (k) **Personal Financial Loss**;
 - (l) one hundred percent (100%) of the gross compensation, including salary and bonuses, commissions, cost of living adjustments, foreign tax reimbursements,



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pension and/or welfare contributions and allowances which were contractually owed to or could reasonably be expected by an **Insured Person** who is a victim of a **Kidnap, Detention, Hijack or Hostage Crisis** event, based on his or her past performance, from the time the event occurs up to sixty (60) days following their release or return to work, whichever occurs first. With respect of **Detention**, the Company's liability will be limited to a period of seventy-two (72) consecutive months;

- (m) one hundred percent (100%) of the gross compensation, including salary and bonuses, commissions, cost of living adjustments, foreign tax reimbursements, pension and/or welfare contributions and allowances which were contractually owed to or could reasonably be expected based upon past performance, of a relative of an **Insured Person** who is a victim of a **Kidnap, Detention, Hijack or Hostage Crisis** event, provided such relative leaves their employment in order to assist in the negotiations for the release of the victim, from the time the event occurs up to sixty (60) days following the victim's release or the relative's return to work, whichever occurs first;
- (n) one hundred percent (100%) of the gross compensation, including salary and bonuses, commissions, cost of living adjustments, foreign tax reimbursements, pension and/or welfare contributions and allowances which were contractually owed to or could reasonably expect based on past performance at the time the **Child Abduction** occurred, of the **Parent(s)** who leave(s) their employment in order to assist in the negotiations for the release of the **Covered Child**;
- (o) one hundred percent (100%) of the gross compensation, including salary, bonuses and allowances, of a temporary replacement for an **Insured Person** who is a victim of a **Kidnap, Detention, Hijack, Express Kidnap, Disappearance or Hostage Crisis** event from the time the event occurs up to one hundred eighty days (180) days following the victim's release or return to work, whichever occurs first, but not exceeding the total compensation that otherwise would have been paid to such **Insured Person** during the same time period;
- (p) costs incurred by the **Named Insured** for the salaries of employees specifically designated to assist in negotiating on a **Kidnap, Extortion, Hijack, Detention or Hostage Crisis**, not to exceed the employees' base rate of pay, plus all other reasonable expenses solely and directly incurred in connection with such negotiations, provided that the **Named Insured** forwards an itemized account of such employees' time, services and expenses;
- (q) interest on loans obtained specifically to meet losses resulting from a **Kidnap, Extortion, Detention, Hijack or Hostage Crisis** but only to the extent of amounts subsequently reimbursed hereunder, provided the loan is repaid within seven (7) days of the **Named Insured** receiving reimbursement from the Company;
- (r) costs, fees and expenses of temporary security measures solely and directly for the purpose of protecting an **Insured Person(s)** and/or **Property** located in the country where a **Kidnap, Extortion, Detention, Hijack or Hostage Crisis** has occurred whether or not such **Kidnap, Extortion, Detention, Hijack or Hostage Crisis** involves such **Insured Persons** and/or **Property**, and on the specific recommendation of Control Risks and/or alternative Security Consultants as agreed by the Company;
- (s) costs of communications equipment, recording equipment and advertising incurred solely and directly to obtain the release of an **Insured Person** who is a victim of a **Kidnap, Detention, Hijack or Hostage Crisis**;
- (t) reasonable fees and expenses of independent forensic analysts engaged by the **Named Insured** or **Parent(s)**;
- (u) reasonable rest and rehabilitation expenses including meals and recreation incurred



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by the **Kidnap, Detention, Hijack, Express Kidnap, Hostage Crisis or Child Abduction** victim and a spouse, **Parent(s)** and/or children incurred within six (6) months following the release of the **Kidnap, Detention, Hijack, Express Kidnap, Hostage Crisis or Child Abduction** victim;

- (v) reasonable costs of cosmetic or plastic surgery which is required to correct any permanent disfigurement sustained by an **Insured Person** solely and directly as a result of a **Kidnap, Detention, Extortion, Hijack, Express Kidnap or Hostage Crisis**;
- (w) job retraining costs for the **Kidnap, Detention, Hijack or Hostage Crisis** victim, including but not limited to salary of the **Kidnap, Detention, Hijack and/or Hostage Crisis** victim while being retrained, and costs of external training courses;
- (x) repatriation of an **Insured Person's** remains following a **Disappearance**;
- (y) funeral and burial expenses of a **Covered Child** in the event of the death of the **Covered Child** resulting from a **Child Abduction**; and/or
- (z) any other reasonable fees and expenses incurred by the **Named Insured or Insured Person(s) or Parent(s)** with the prior approval of the Company.

- B. Legal Liability: The Company's obligation to pay for amounts for which the **Named Insured** has legal liability in connection with a judgment, award or settlement, including a judgment or award of attorney's fees and costs, in an action for damages brought by or on behalf of an **Insured Person(s)**, or his or her legal representative, against the **Named Insured** solely and directly as a result of a **Kidnap, Detention, Hijack, Extortion or Hostage Crisis** shall not exceed the amounts stated in Item III. Insured Loss of the Declarations.

As a condition to the Company's obligation to pay pursuant to this paragraph, the **Named Insured** shall:

- (1) not admit liability for, settle any claim or suit nor incur any costs or expenses without the prior authorization of the Company;
- (2) provide the Company the right and opportunity to defend any such claim or suit against the **Named Insured**, including whatever investigation may be appropriate, and to settle the claim or suit as the Company may deem expedient and the law allows; and
- (3) cooperate fully with the Company in all things in connection therewith.

Defense costs incurred by the Company, or by the **Named Insured** with the Company's prior consent and authorization, are payable in addition to the limit for Legal Liability. However, if the total amount for all settlements, awards and judgments to which such costs refer exceeds this limit, this Policy shall pay only that proportion of defense costs which the limit bears to the total of such settlements, awards and judgments.

Other than defense costs described above, the Company's liability hereunder shall in all cases be limited to the amounts shown in Item III. Insured Loss of the Declarations. Specifically, but without limiting the generality of the foregoing, the Company's liability shall not be increased because:

- (a) the **Named Insured** may comprise or include one or more legal entity(ies). If more than one legal entity is named in this Policy, only the first-named entity shall have the right to make, adjust, receive or enforce payment of any claim;
- (b) a **Kidnap, Detention, Hijack, Extortion and/or Hostage Crisis** may involve the **Named Insured** and/or one or more **Insured Person(s)**;
- (c) of renewal of this Policy. The Company's liability shall not be cumulative from one Period of Insurance to another; or
- (d) of any other reason whatsoever.



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- C. The Company's obligation to pay for **Insured Loss** resulting from a **Cyber Extortion** shall not exceed the amounts stated in Item III. Insured Loss of the Declarations and shall be limited to the following:
- (1) Ransom: **Ransom** which has been surrendered; in the case of marketable goods or services, the Company shall pay the actual cash value thereof at the time of surrender.
 - (2) Ransom in Transit: The loss in transit of a **Ransom** due to actual damage, destruction, disappearance, confiscation or wrongful abstraction, while the **Ransom** is being conveyed to such persons who have demanded it, provided the individual who is engaged in the conveyance has been duly authorized to do so by the **Named Insured** or an **Insured Person**.
 - (3) Control Risks Fees and Expenses: The fees and expenses of Control Risks.
 - (4) Additional Expenses: If the **Cyber Extortion** incident involves ongoing criminal activity that represents a reasonable threat of death or bodily injury to an **Insured Person(s)**, the following Additional Expenses may apply and shall not exceed the amounts stated in Item III. Insured Loss of the Declarations:
 - (a) fees and expenses of an independent public relations consultant and/or interpreter;
 - (b) fees for independent psychiatric, medical and dental care, including any costs for care by a neurologist or psychologist and any expenses of confinement, incurred within thirty-six (36) months of the incident; and
 - (c) fees and expenses of temporary security measures incurred solely and directly for the purpose of protecting an **Insured Person(s)** and/or **Property** located in the country where the **Cyber Extortion** has occurred whether or not such **Cyber Extortion** involves such **Insured Persons** and/or **Property**, and on the specific recommendation of Control Risks and as agreed by the Company.
- D. The Company's obligation to pay for damages or injuries sustained by an **Insured Person** as a result of a **Personal Accident**, resulting from a **Kidnap, Extortion, Cyber Extortion, Detention, Hijack, Express Kidnap or Hostage Crisis**, shall not exceed those amounts specified in Item III. Insured Loss of the Declarations.

V. Exclusions

The Company shall not accept liability for a series of **Connected Events** where the first of which began before the Period of Insurance specified in Section II. Coverage Details of the Declarations.

The Company shall not be liable in respect of any losses caused by or arising from or attributable to any of the following circumstances:

- | | |
|--|--|
| Child Abduction Legal Liability | A. Any legal liability or costs of defense for administrative, regulatory, judicial or other claims hearings or lawsuits arising out of a Child Abduction . |
| Criminal Act of an Insured | B. In respect of Kidnap, Extortion, Hijack, Child Abduction, Cyber Extortion, Disappearance, Express Kidnap or Hostage Crisis only, a fraudulent or criminal act of the Named Insured , a director, officer, employee or agent of the Named Insured , or an Insured Person or agent thereof, whether acting alone or in collusion with others and sanctioned by the Named Insured . |
| Disappearance in Transit | C. The Disappearance of an Insured Person while engaged in transit by air or sea. |
| Failure to Maintain Legal Status Documentation | D. In respect of Detention only, failure of the Named Insured or an Insured Person to properly procure or maintain immigration, work, residence or similar visas, permits or other documentation. |
| Off-Premises Robbery | E. The surrender of a Ransom in any face to face encounter, unless surrendered by a person who is in possession of such a Ransom at the time of such surrender for the sole purpose of |



Hiscox Insurance Company Inc.

Kidnap and Ransom Insurance Policy

conveying it to pay a previously communicated **Ransom** demand. This exclusion shall not apply to a **Hostage Crisis** or **Express Kidnap** event.

- | | |
|---------------------|---|
| On-Premises Robbery | F. The surrender of a Ransom either at the location where the Kidnap of one or more Insured Persons(s) occurs or where the Extortion (including Products Extortion) demand is first made, unless brought to such location after receipt of the Ransom demand for the sole purpose of paying such Ransom demand. |
| Other Insurance | G. Any Insured Loss which is covered under any other valid and collectible insurance available to the Named Insured or any Insured Person(s) , except the Company will pay such Insured Loss up to the amount of the deductible(s) of such other valid and collectible insurance. |

VI. Conditions

- A. Bankruptcy – Bankruptcy or insolvency of the **Named Insured** or an **Insured Person** or their estate shall not relieve the Company of any of its obligations under this Policy.
- B. Cancellation – This Policy may be cancelled by the **Named Insured** by giving written notice to the Company stating when thereafter such cancellation shall be effective. This Policy also may be cancelled by the Company, but solely as a result of non-payment of premium by the **Named Insured**. In such event, the Company shall mail by registered, certified, or other first class-mail (or email where allowed by applicable law), at the **Named Insured's** last known address (or email address) on file with the Company, written notice of cancellation to the **Named Insured** not less than thirty (30) days prior to the effective date of cancellation. The mailing (or emailing) of such notice will be sufficient proof of notice, and this Policy will terminate at the date and hour specified in the notice. Earned premium shall be calculated on a pro rata basis. Payment or tender of any unearned premium by the Company will not be a condition precedent to the cancellation, but such payment will be made as soon as possible.
- C. Notice of Claim – It is a condition precedent to the Company's obligation to pay when an **Insured Event** has occurred, or is believed to have occurred, the **Named Insured** shall:
- (1) notify the Company and Control Risks (or an alternative Security Consultant that the Company has approved) and provide whatever information is required as soon as is practicable;
 - (2) inform or allow Control Risks (or an alternative Security Consultant that the Company has approved) to inform the appropriate authorities responsible for law enforcement in the country where the **Insured Event** has occurred, or is believed to have occurred, of the **Insured Event**, including any **Ransom** demand, as soon as is practicable, but taking into consideration the personal safety of the victim;
 - (3) provide whatever information may be requested and cooperate with Control Risks and the appropriate authorities; and
 - (4) before agreeing to the payment of any **Ransom**, make every reasonable effort to:
 - (a) determine that the **Insured Event** has actually occurred and is not a hoax; and
 - (b) ensure that the **Named Insured**, by a senior officer or principal thereof, agrees to the payment of the **Ransom**.

When requesting the reimbursement hereunder of a **Ransom**, the **Named Insured** shall bear the burden of demonstrating that such **Ransom** has been surrendered under duress.

- D. Mitigation of Loss – The **Named Insured** shall use due diligence and undertake or concur in the Company's undertaking of all things reasonably practicable to avoid or diminish any **Insured Loss**.
- E. Confidentiality – The **Named Insured** and each and every **Insured Person(s)** must at all times use their best efforts to ensure that knowledge of the existence of this insurance is kept



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- confidential and access to the Policy is restricted as much as possible.
- F. Subrogation – In the event of any payment under this Policy, the Company shall be subrogated to the extent of such payment to all rights of recovery of the **Named Insured** and/or any **Insured Person(s)**. The **Named Insured** and any **Insured Person(s)** shall execute all papers required and shall do everything necessary to enable the Company to bring suit in the name of the **Named Insured** or the **Insured Person(s)**.
- G. Assignment – No assignment of the **Named Insured's** interest hereunder shall be binding on the Company, unless and until its written consent thereto has been obtained and endorsed hereon.
- H. Changes – Notice to any or knowledge possessed by any agent of the Company or by any other person shall not effect a waiver or a change in any of the terms or conditions of this Policy, or prevent the Company from asserting any of its rights under this Policy. Nor shall the terms of this Policy be waived or changed except by written endorsement attached to and forming part of this Policy. Failure by the Company to exercise or enforce any rights hereunder will not be deemed to be a waiver of such rights nor operate so as to bar the exercise or enforcement thereof at any time thereafter.
- I. Transfer of Rights and Duties – The rights of the **Named Insured** and any **Insured Person(s)** may not be transferred or assigned without the prior written consent of the Company. Notwithstanding the foregoing, if an **Insured Person** dies, his or her rights will be transferred to the legal representative for such **Insured Person**, but only in the scope of the legal representative's duties as such.
- J. Medical Care and Examinations – With regard to any **Insured Loss** as a result of a **Personal Accident**, the following additional conditions apply:
- (1) Any **Insured Person** who suffers an incident which caused or may cause disablement within the meaning of this Policy must place himself under the care of a qualified medical practitioner approved by the Company as early as possible after the incident.
 - (2) The Company will not be liable to pay compensation unless the medical advisors appointed by the Company shall be allowed as often as is thought necessary to examine the **Insured Person**.
- K. Additional Premises – If, while this Policy is in force, the **Named Insured** establishes any additional **Premises** other than through consolidation, merger, purchase or acquisition with or of another entity, such **Premises** will automatically be covered under this Policy. The **Named Insured** will not be required to notify the Company of such increase in the number of **Premises**, and the Company will not charge any additional premium for the remainder of the **Policy Period** for this coverage.
- L. Newly Acquired **Subsidiaries** – It is agreed that the **Named Insured** shown in Item I. General Details of the Declarations shall be automatically amended to include any newly acquired **Subsidiary** on the following basis:
- (1) any newly acquired **Subsidiary** whose market value at the date of the acquisition is less than ten percent (10%) of the **Named Insured's** market value is automatically covered for the remainder of the Period of Insurance, provided that with respect to the new acquisition there are no threats or incidents ongoing at the time of acquisition; and
 - (2) any newly acquired **Subsidiary** whose market value at the date of the acquisition is greater than ten percent (10%) of the **Named Insured's** market value is automatically covered for a period of thirty (30) days from the date of acquisition, provided that with respect to the new acquisition there are no threats or incidents ongoing at the time of acquisition.
- M. Trade Sanctions – The Policy shall not be deemed to provide cover and the Company shall not be liable to pay any claim or provide any benefit hereunder to the extent that the provision of



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such cover, payment of such claim or provision of such benefit would expose the Company to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

- N. Currency and Valuation – The Limits of Liability of the Policy and the Company's obligation to indemnify for **Insured Loss** are in United States dollars. In the event of any payment of **Insured Loss** by the **Named Insured** or **Insured Person(s)** in foreign currency, the amount to be indemnified pursuant to this Policy shall be calculated based upon the exchange rate published in The Wall Street Journal on the date the claim for **Insured Loss** is submitted to the Company for payment. In the event of any payment of **Insured Loss** by the **Named Insured** or **Insured Person(s)** in marketable securities, goods or services, the Company shall pay the least of (i) the actual cash value of the securities, goods or services at the time of their surrender or (ii) the actual cost to replace or repair such securities, goods or services with consideration of similar quality and value.
- O. Other Insurance – This Policy is primary except when it is expressly stated to be excess over any other insurance. However, with respect to any **Insured Loss** resulting from a **Cyber Extortion**, this Policy will be excess over any other valid and collectible insurance, whether primary, excess, contingent, or on any other basis, available to the **Named Insured** or any **Insured Person(s)** which also covers such **Insured Loss**. If this Policy and any other insurance available to the **Named Insured** or any **Insured Person(s)** applies to an **Insured Event** on the same basis, whether primary or excess, then coverage under this Policy shall apply up to the amount of the deductible(s) of the other valid and collectible insurance. With respect to any amounts in excess of such deductible(s), the Company shall not be liable under this Policy for a greater proportion of any **Insured Loss** than the applicable Limit of Liability under this Policy bears to the total limits of liability of all valid and collectible insurance available to the **Named Insured** and any **Insured Persons** for such **Insured Loss**.

Strictly confidential

Global Risk Data

An online platform for risk management

Website: <https://grd.controlrisks.com>

Your login ID: U0113660

Password: 1G534t5tH

The information contained in this website is for the exclusive use of Hiscox clients and should only be made available to key people within your team. Access is provided free of charge to Hiscox policyholders for the duration of their policy.

The website is updated with information from Control Risks as events occur. If you have any further questions regarding site content please contact: SpecialRisksAnalysis@controlrisks.com.



Global Risk Data (GRD)

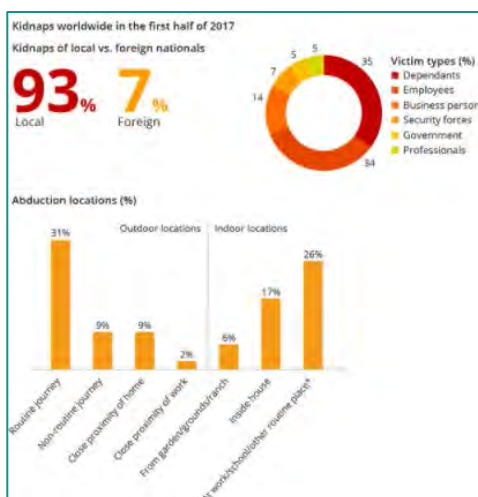
The GRD online platform is brought to you by Hiscox Special Risks, with content provided by Control Risks and its International SOS joint venture partner, Travel Security Services. It is a hub for the latest news on Special Risks issues such as kidnapping and extortion, as well as associated travel risks.

Information and incident prevention

The analysis is designed to keep you informed of emerging trends with a view to risk mitigation and incident prevention. The platform offers daily updates, detailed country backgrounds and a risk matrix methodology to identify the highest threat environments. You can also find information on global kidnapping trends and back issues of The Special Risks Report, written by Control Risks' dedicated Special Risks analysts.

Practical advice

The advice and guidelines section provides practical advice for managing kidnap and extortion incidents at corporate or local office level.





Cyber Risk Insurance Policy

PRIME 250SL 033 0720 © 2021





COWBELL CYBER RISK INSURANCE DECLARATIONS – PRIME 250

This company has been approved by the director or his designee of the South Carolina Department of Insurance to write business in this State as an eligible surplus lines insurer, but it is not afforded guaranty fund protection.

Policy Number: PLM-CB-SHU6H3MK9-002

Renewal of: N/A

Item 1. Named Insured: The Citadel, The Military College of South Carolina

Mailing Address: 171 Moultrie St
Charleston, SC, 29409-0001

Email Address: mark.brandenburg@citadel.edu

Item 2. Policy Period: Inception Date: Jan 23, 2023 Expiration Date: Jan 23, 2024
(All dates at 12:01 a.m. Standard Time at the address as stated in Item 1).

Item 3. Aggregate Limit of Liability: \$ \$3,000,000.00 each **Policy Period** for all payments under all Coverages combined.

Item 4. Retroactive Date: See individual coverages below

To Report a Loss
• Dial toll-free #1 (844)777-8323 or visit our
• Website: <https://my.rpsins.com/claimsfnol>
• Contact Insurer directly (see policy section)

Item 5. Limits:

<i>Section I.A.</i>	<i>Coverage</i>	<i>Included (yes/no)</i>	<i>Each Claim Limit of Liability</i>	<i>Deductible / Waiting Period</i>	<i>Retroactive Date</i>
(1)	Cowbell Breach Fund	yes	\$3,000,000.00	\$50,000.00	N/A
(2)	Data Restoration	yes	\$3,000,000.00	\$50,000.00	N/A
(3)	Extortion Costs	yes	\$3,000,000.00	\$50,000.00	N/A
(4)	Business Impersonation Costs	yes	\$3,000,000.00	\$50,000.00	N/A
(5)	Reputational Harm Expense	yes	\$1,500,000.00	<u>12</u> hours	01/23/2022

<i>Section I.B.</i>	<i>Coverage</i>	<i>Included (yes/no)</i>	<i>Each Claim Limit of Liability</i>	<i>Waiting Period</i>	<i>Retroactive Date</i>
(1)	Business Interruption Loss	yes	\$3,000,000.00	The greater of: <u>\$50,000.00</u> or <u>12</u> hours	N/A
(2)	Contingent Business Interruption Loss	yes	\$3,000,000.00	The greater of: <u>\$50,000.00</u> or <u>12</u> hours	N/A
(3)	System Failure Business Interruption Loss	yes	\$3,000,000.00	The greater of: <u>\$50,000.00</u> or <u>12</u> hours	N/A
(4)	System Failure Contingent Business Interruption Loss	yes	\$3,000,000.00	The greater of: <u>\$50,000.00</u> or <u>12</u> hours	N/A
(5)	Cyber Crime Loss	yes	\$250,000.00	\$50,000.00	N/A
(6)	Bricking Costs	yes	\$1,000,000.00	\$50,000.00	N/A
(7)	Criminal Reward Costs	yes	\$100,000.00	N/A	N/A

<i>Section I.C</i>	<i>Coverage</i>	<i>Included (yes/no)</i>	<i>Each Claim Limit of Liability</i>	<i>Deductible</i>	<i>Retroactive Date</i>
(1)	Liability Costs	yes	\$3,000,000.00	\$50,000.00	Full Prior Acts
(2)	PCI Costs	yes	\$3,000,000.00	\$50,000.00	Full Prior Acts
(3)	Regulatory Costs	yes	\$3,000,000.00	\$50,000.00	Full Prior Acts

Item 6. Territorial Scope: Worldwide

Item 7. Extended Reporting Period:

12 Months at an additional 75% of premium

24 Months at an additional 125% of premium

36 Months at an additional 150% of premium

Item 8. Premium: \$ 61,073.00 (includes TRIA)

☐ does not include commission; % of premium will not be paid to broker

☒ does include commission; % of premium will be paid to broker

TRIA:	\$ <u>604.68</u>	Premium	60,468.32
Underwriting Fee:	\$ <u>750.00</u>	Terrorism Premium	604.68
Surplus Lines Tax:	\$ <u>0.00</u>	Broker Fee - RPS	200.00
Surplus Stamping Fee:	\$ <u>0.00</u>	Carrier Broker Fee	750.00
Total:	\$ <u>61,823.00</u>	SC Surplus Lines Tax	3,721.38
		Total Charges	65,744.38

Palomar Excess and Surplus Insurance Company NAIC # 16754

Item 9. Endorsements attached:

TITLE	FORM#
Cowbell Cyber Risk Insurance Policy Declarations - Prime 250	PRIME 250SL 002 09 21
Notice to Policyholders - OFAC	PN006SL 09 20
Customer Notice of Privacy Policy & Producer Compensation Practices Disclosure	PN007SL PL 0921
Cowbell Cyber Risk Insurance Policy - Prime 250	PRIME 250SL 001 10 20
Service of Process	PRIME 250SL 075 PL 09 21
California Consumer Privacy Act	PRIME 250SL 004 09 20
General Data Protection Regulation	PRIME 250SL 005 09 20
Utility Fraud Attack	PRIME 250SL 006 09 20
Media Liability	PRIME 250SL 007 09 20
Cryptojacking	PRIME 250SL 009 09 20
BIPA Exclusion Endorsement	PRIME 250SL 048 09 21
Cyber Terrorism Amendatory Endorsement	PRIME 250SL 050 08 22
Disclosure Pursuant to Terrorism Risk Insurance Act	PRIME 250SL 028 10 20
Cap on Losses From Certified Acts of Terrorism	PRIME 250SL 029 10 20
Trade or Economic Sanctions Exclusion Endorsement	PRIME 250SL 032 09 20
CB-Compliance	CB-COMPLIANCE (09/21)
South Carolina Surplus Lines Notice	CB-SC-NOTICE (12/20)

Item 10. Notice:

All notice to **Insurer** pursuant to Policy Section IV.C., including notice of a potential or actual **Claim** or **Cyber Event**, shall be:

Emailed to:

claims@cowbellycyber.ai

Or

Reported at:

1-833-633-8666

Or

Logged in using below URL:

<https://console.cowbellycyber.ai>

These Declarations along with the completed and signed Application and Policy form with any written endorsements attached hereto shall constitute the entire contract between the **Insureds** and **Insurer**.

THIS IS A CLAIMS MADE POLICY. PLEASE READ IT CAREFULLY.

SIGNATURE PAGE

In Witness Whereof, we have caused this policy to be executed and attested, and, if required by state law, this policy shall not be valid unless countersigned by our authorized representative.

Palomar Excess and Surplus Insurance Company NAIC # 16754



(Jason Sears)
Secretary



(Jon Knutzen)
President

NOTICE TO POLICYHOLDERS U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL (OFAC)

No coverage is provided by this Notice, nor can it be construed to replace any provisions of your policy (including its endorsements). If there is any conflict between this Notice and your policy (including its endorsements), the provisions of your policy (including its endorsements) shall prevail.

This Notice provides information concerning possible impact on your insurance coverage due to directives issued by OFAC and possibly by the U.S. Department of State. **Please read this Notice carefully.**

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

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

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

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

CUSTOMER NOTICE OF PRIVACY POLICY AND PRODUCER COMPENSATION PRACTICES DISCLOSURE

Privacy Policy Disclosure

Your privacy is important to us. We will keep the information you provide to us secure and handle it only as permitted by law. This notice tells you about our Privacy Policy and how we handle your information.

“Personal information” is information that identifies you as an individual and is not otherwise available to the public. It includes personal financial information and personal health information. We collect personal information to service your application, account and claims and to support our business functions.

We will continue to follow our Privacy Policy regarding personal information even when a business relationship no longer exists between us.

Collection of Information

We collect personal information so that we may offer quality products and services. We may obtain personal information from the following sources:

- Directly from you, such as your name, address and social security number.
- Directly from us, such as your premium payment history.
- From third parties, such as companies that have your driving record or claims history.
- From medical professionals or medical records.
- From inspections or photos taken of your property.
- From consumer report agencies. Upon request, we will tell you how to get a copy of this report. The agency that prepares the report for us may retain the report and disclose it to others as permitted by law.

We, and the third parties we partner with, may track some of the web pages you visit through cookies, pixel tagging or other technologies. We currently do not process or comply with any web browser's “do not track” signals or similar mechanisms that request us to take steps to disable online tracking. You may be able to set your browser to reject cookies. Please review your browser or device's “Help” file to learn the best way to modify your settings. Please note that rejecting cookies may disrupt certain functionality of the Website.

Disclosure of Information

We may disclose non-public, personal information you provide, as required to conduct our business and as permitted or required by law. We may share information with third parties such as:

- Third parties who perform professional, insurance or business functions for us.
- Insurance institutions, agents or consumer reporting agencies in connection with any application, policy or claim involving you or your policy.
- Claims adjusters, appraisers and others to defend or settle claims involving your policy.
- An insurance regulatory authority in connection with the regulation of our business, or to a law enforcement agency, governmental authority or other authorized person or institution to protect our legal interests, detect or prevent insurance fraud or criminal activity, or as otherwise permitted or required by law.
- Businesses that conduct scientific or actuarial research.
- Lienholders, mortgagees, lessors or other persons having a legal or beneficial interest in your property.

We will not sell or share your personal financial information with anyone for purposes unrelated to our business functions without offering you the opportunity to “opt-out” or “opt-in” as required by law.

We only disclose personal health information with your authorization or as otherwise allowed or required by law.

Safeguards to Protect your Personal Information

We recognize the need to prevent unauthorized access to the information we collect, including information held in an electronic format on our computer systems. We maintain physical, electronic and procedural safeguards intended to protect the confidentiality and integrity of all non-public, personal information.

Internal Access to Information

We restrict access to your non-public personal information to those employees who need to know it in order to provide products and services to you, and we train our employees on how to handle and protect that information. Our employees have access to personal information in the course of doing their jobs, such as:

- underwriting policies;
- paying claims;
- developing new products; or
- advising customers of our products and services.

Consumer Reports

In some cases, we may obtain a consumer report in connection with an application for insurance. Depending on the type of policy, a consumer report may include information about you or your business, such as:

- character, general reputation, personal characteristics, mode of living;
- audit history, driving record (including records of any operators who will be insured under the policy); and/or
- an appraisal of your dwelling or place of business that may include photos and comments on its general condition.

Upon written request, we will inform you if we have ordered an investigative consumer report. You have the right to make a written request within a reasonable period for information concerning the nature and scope of the report and to be interviewed as part of its preparation. You may obtain a copy of the report from the reporting agency and, under certain circumstances, you may be entitled to a copy at no cost.

Access to Information

You have the right to request access to the personal information that we record about you, to have reasonable access to it and to receive a copy. To do so, contact us at:

Palomar Excess and Surplus Insurance Company
7979 Ivanhoe Ave., Suite 500,
La Jolla, CA 92037
privacy@plmr.com

Please include your complete name, address, and policy number(s), and indicate specifically what you would like to see. If you request actual copies of your file, there may be a nominal charge. We will tell you to whom we have disclosed the information within the two years prior to your request. If there is not a

record indicating that the information was provided to another party we will tell you to whom such information is normally disclosed.

There is information that that we cannot share with you. This may include information collected in order to evaluate a claim under an insurance policy or when the possibility of a lawsuit exists. It may also include medical information that we would have to forward to a licensed medical doctor of your choosing so that it may be properly explained.

Correction of Information

If after reviewing your file you believe information is incorrect, please write to the consumer reporting agency or to us, whichever is applicable, explaining your position. The information in question will be investigated. If appropriate, corrections will be made to your file and the parties to whom the incorrect information was disclosed, if any, will be notified. However, if the investigation substantiates the information in the file, you will be notified of the reasons why the file will not be changed. If you are not satisfied with the evaluation, you have the right to place a statement in the file explaining why you believe the information is incorrect. We also will send a copy of your statement to the parties, if any, to whom we previously disclosed the information and include it in any future disclosures.

Changes to this Policy

We will periodically review and revise our Privacy Policy and procedures to ensure that we remain compliant with all state and federal requirements. If any provision of our Privacy Policy is found to be noncompliant, then that provision will be modified to reflect the appropriate state or federal requirement. If any modifications are made, all remaining provisions of this Privacy Policy will remain in effect.

Contact

For more detailed information about our Privacy Policy, visit our website: www.plmr.com.

Producer Compensation Disclosure

Our products are sold through independent agents and brokers, often referred to as "Producers". We may pay Producers a fixed commission for placing and renewing business with our company. We may also pay an additional commission and other forms of compensation and incentives to Producers who place and maintain their business with us.



COWBELL CYBER RISK INSURANCE POLICY – PRIME 250

WITH RESPECT TO INSURING AGREEMENT C. THIS POLICY PROVIDES COVERAGE ON A CLAIMS MADE AND REPORTED BASIS AND APPLIES ONLY TO CLAIMS FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD OR THE OPTIONAL EXTENSION PERIOD (IF APPLICABLE) AND REPORTED TO THE INSURER IN ACCORDANCE WITH THE TERMS OF THIS POLICY. AMOUNTS INCURRED AS FIRST PARTY EXPENSE AND FIRST PARTY LOSS UNDER THIS POLICY WILL REDUCE AND MAY EXHAUST THE LIMIT OF LIABILITY AND ARE SUBJECT TO DEDUCTIBLES.

PLEASE READ THE ENTIRE POLICY CAREFULLY.

In consideration of the payment of premium and in reliance upon all statements made and information furnished to the **Insurer**, including the statements made in the **Application**, and subject to all terms, conditions and limitations in this **Policy**, the **Insured** and **Insurer** agree as follows:

SECTION I. INSURING AGREEMENTS

Only the Insuring Agreements with Limits shown in the Cowbell Cyber Risk Insurance Declarations apply.

A. FIRST PARTY EXPENSE COVERAGE

The **Insurer** will pay on behalf of the **Insured**, all **First Party Expense** directly resulting from a **Cyber Event** which is first discovered by the **Insured** during the **Policy Period** or Extended Reporting Period (if applicable).

First Party Expense means the following necessary and reasonable costs incurred by the **Insured** (whether voluntary or otherwise) with the **Insurer's** consent and which consent will not be unreasonably withheld:

- (1) Cowbell Breach Fund which includes:
 - (a) **Forensics**;
 - (b) **Notification**;
 - (c) **Identity Monitoring Services**;
 - (d) **Incident Response**;
 - (e) **Crisis Management**;
 - (f) **Incident Consultation**;
 - (g) **Overtime Salaries**; and
 - (h) **Healthcare Records Remediation Service**.
- (2) **Data Restoration**;
- (3) **Extortion Costs**;
- (4) **Business Impersonation Costs**; and
- (5) **Reputational Harm Expense**.

B. FIRST PARTY LOSS COVERAGE

The **Insurer** will reimburse the **Insured**, all **First Party Loss** directly resulting from a **Cyber Event** which is first discovered by the **Insured** during the **Policy Period** or Extended Reporting Period (if applicable).

First Party Loss means the following:

- (1) **Business Interruption Loss**;
- (2) **Contingent Business Interruption Loss**;
- (3) **System Failure Business Interruption**;
- (4) **System Failure Contingent Business Interruption**;

- (5) **Cyber Crime Loss**;
- (6) **Bricking Costs**; and
- (7) **Criminal Reward Costs**.

First Party Loss does not include **Liability Expense**.

C. LIABILITY EXPENSE COVERAGE

The **Insurer** will pay on behalf of the **Insured**, all **Liability Expense** for a **Claim** first made and reported to the **Insurer** during the **Policy Period** or Extended Reporting Period (if applicable) directly resulting from a **Cyber Event** which is first discovered by the **Insured** during the **Policy Period**.

Liability Expense means:

- (1) **Liability Costs**
 - (a) **Defense Expenses**;
 - (b) Monetary damages the **Insured** becomes legally obligated to pay including pre-judgment interest, post judgment interests, judgments or settlements;
 - (c) Punitive, exemplary, or multiplied damages but only to the extent such damages are insurable under the applicable law most favorable to the insurability of such damages;
- (2) **PCI Costs**; and
- (3) **Regulatory Costs**.

Liability Expense does not include: (1) **First Party Expense**; (2) **First Party Loss**; (3) taxes, the return or repayment of fees, deposits, commissions, royalties, future profits or charges for goods or services; (4) the costs incurred in the recall, re-performance or correction of services, content, goods or activities; costs to comply with injunctive or other non-monetary relief, including specific performance or any agreement to provide such relief; (5) liquidated damages pursuant to a contract, to the extent such amount exceeds the amount for which the **Insured Organization** would have been liable in the absence of such contract; or (6) matters which are uninsurable pursuant to the applicable law to which this **Policy** is construed.

SECTION II. DEFINITIONS

- A. **Application** means the application accepted for the issuance of this **Policy** by the **Insurer**, including any and all materials and information submitted to the **Insurer** in connection with such application.
- B. **Bricking Costs** means the reasonable and necessary costs, subject to the **Insurer's** prior consent, to replace, remediate or improve the **Insured's Computer System**. Such costs must be incurred as a direct result of a **Network Security Incident** and must be in excess of expense the **Insured** would have incurred had there been no **Network Security Incident**.
- C. **Business Impersonation** means the fraudulent communications (including but not limited to communications transmitted by website, email or phone call) from a third party designed to impersonate the **Insured Organization** or an individual **Insured**, with the goal of deceiving any individual, or any vendor or supplier of the **Insured Organization**, into sharing credentials or **Protected Information** with such third party.
- D. **Business Impersonation Costs** means the costs to inform potentially impacted individuals, vendors or suppliers of a **Business Impersonation**.
- E. **Business Interruption Loss** means **Income Loss** and **Extra Expense** incurred by the **Insured Organization** during the **Period of Recovery** which exceeds the **Waiting Period**, due to an **Interruption of Service** as a result of a **Network Security Incident**.

- F. **Claim** means any: (1) written demand for **Money** or non-monetary relief, written demand for arbitration or written request to toll or waive a statute of limitations received by the **Insured**; (2) civil proceeding in a court of law or equity, including any appeal therefrom, which is commenced by the filing of a complaint, motion for judgment or similar pleading, against the **Insured**; (3) administrative or regulatory investigation, inquiry, suit, proceeding, prosecution or governmental actions against the **Insured** solely with respect to a **Privacy Incident**; (4) an arbitration or other alternative dispute resolution proceeding against the **Insured** for monetary damages or non-monetary or injunctive relief, commenced by the **Insured's** receipt of a request or demand for such proceeding, including any appeal thereof; or (5) written notice received by the **Insured** for **PCI Costs** from a third party, with whom the **Insured Organization** has entered into a **Payment Card Services Agreement**, as a result of actual or alleged non-compliance with the **PCI DSS**.
- G. **Client** means any person or entity with whom **Insured** has entered into a written contract to provide services or deliverables.
- H. **Computer System** means:
- (1) Computer hardware;
 - (2) **Software**;
 - (3) Firmware and associated input and output devices;
 - (4) Mobile and wireless devices;
 - (5) Data storage devices;
 - (6) Networking equipment;
 - (7) Storage area network;
 - (8) Backup facilities; and
- Computer System** also means any of the foregoing that are:
- (a) part of an Industrial Control System (ICS), which are controls, systems and instrumentation used to operate or automate industrial processes; or
 - (b) operated by and either owned by or leased to the **Insured Organization**; or
 - (c) systems operated by a third-party service provider and used for the purpose of providing hosted computer application services, including cloud services, to the **Insured Organization** or for processing, maintaining, hosting or storing the **Insured Organization's Electronic Data**, pursuant to written contract with the **Insured Organization** for such services.
- I. **Contingent Business Interruption Loss** means **Income Loss** and **Extra Expense** incurred by the **Insured Organization** resulting from an **Interruption of Service** of a **Service Provider's Computer System**, but only if such **Interruption of Service** would have been covered under this **Policy** if such **Service Provider** had been **Insured**, applying the same terms and conditions herein.
- J. **Criminal Reward Costs** means any amount offered by the **Insured** for information that leads to the arrest and conviction of any individual(s) committing or trying to commit any illegal act related to any coverage under this **Policy**. **Criminal Reward Costs** does not include, and this **Policy** will not cover, any amount offered and paid for information provided by the **Insured**, the **Insured's** auditors, whether internal or external, any individual hired or retained to investigate the aforementioned illegal acts, or any other individuals with responsibilities for the supervision or management of the aforementioned individuals.
- K. **Crisis Management** means public relations or crisis communication services for the purpose of protecting or restoring the reputation of, or mitigating financial harm to, an **Insured**.
- L. **Cyber Crime Incident** means:
- (1) **Telecommunications Hack**;
 - (2) **Social Engineering Attack**;
 - (3) **Reverse Social Engineering Attack**; or
 - (4) **Transfer of Funds Loss**

M. **Cyber Crime Loss** means:

- (1) charges incurred by the **Insured** from its telecommunications provider, directly resulting from a **Telecommunications Hack**; and
- (2) loss of **Money** or **Digital Currency** directly resulting from any of the following:
 - (a) **Social Engineering Attack**;
 - (b) **Reverse Social Engineering Attack**; or
 - (c) **Transfer of Funds Loss**.

Cyber Crime Loss does not include any amounts reimbursed or reversed by a financial institution.

N. **Cyber Event** means:

- (a) **Privacy Incident**;
- (b) **Network Security Incident**; or
- (c) **Cyber Crime Incident**.

With respect to I.C.I. Liability Costs, **Cyber Event** also means **Media Incident**.

O. **Cyberterrorism** means the use of information technology to execute attacks or threats by any person or group, whether acting alone, or on behalf of, or in connection with, any individual, organization, or government, with the intention to:

- (1) cause harm;
- (2) intimidate any person or entity; or
- (3) cause destruction or harm to critical infrastructure or data, in furtherance of financial, social, ideological, religious, or political objectives;

which results in a threat or harm to **Your Network Security**.

P. **Data Restoration** means replacement, restoration, recreation or recovery of data residing on an **Insured's Computer System** which is compromised as a direct result of a **Network Security Incident**. If such data is unable to be replaced, restored, recreated or recovered, then **Data Restoration** is limited to the costs to make this determination.

Q. **Defense Expenses** means reasonable and necessary costs, charges, fees (including but not limited to attorneys' fees, legal fees, and experts' fees) and expenses (except for wages, salaries, fees, bonuses or stock options, or any other form of compensation of the **Insured** or the directors, officers or employees of the **Insured**) incurred by or on behalf of the **Insured** in defending or investigating **Claims** under this **Policy**, as well as the premium for any appeal, attachment or similar bonds, provided that the Insurer shall have no obligation to apply for or furnish such bonds. **Defense Expenses** do not include **First Party Loss** or **First Party Expense**.

R. **Denial of Service Attack** means a malicious attack that is designed to slow or completely interrupt access to a **Computer System** or website.

S. **Digital Currency** means a type of digital currency that:

- (1) requires cryptographic techniques to regulate the generation of units of currency and verify the transfer thereof;
- (2) is both stored and transferred electronically; and
- (3) operates independently of a central bank or other central authority.

T. **Electronic Data** means information that exists in electronic form, including electronic **Personally Identifiable Information** and electronic **Protected Information**. **Electronic Data** does not include **Software** or **Digital Currency**.

U. **Extortion Costs** means:

- (1) expenses to investigate the cause of an **Extortion Threat** and to discover if any **Privacy Incident** has occurred; and
- (2) payment amounts, including the actual costs to execute such payment amount (whether in **Digital Currency** or traditional currency) in response to an **Extortion Threat**.

V. **Extortion Threat** means a credible threat or series of threats to cause a **Privacy Incident** or **Network Security Incident**.

W. **Extra Expense** means the actual costs incurred by the **Insured** in excess of its normal operating expenses to reduce or avoid **Income Loss** provided they are in excess of expenses the Insured would have incurred had there been no **System Failure** or **Network Security Incident**.

Extra Expense does not include: (1) **Data Restoration**; (2) the costs to replace, remediate or improve the **Computer System** other than the coverage provided in **First Party Loss** and **First Party Expense**; (3) **Bricking Costs**; (4) costs to identify or remove software program errors, or to establish, implement or improve network or data security practices, policies or procedures; (5) costs or expenses that exceed the amount of **Income Loss** that is thereby reduced or avoided; and (6) consequential or liquidated damages, fines, interest, or penalties of any nature, however denominated, arising by contract.

Extra Expense does not mean and will not include costs for better computer systems or services than the Insured had before a **System Failure** or **Network Security Incident**, including upgrades, enhancements and improvements.

However, this will not apply if the cost for a more current or secure version of a **Computer System** is:

1. no more than 25% greater than the cost that would have been incurred to repair or replace the **Computer System** the **Insured** had before a **Network Security Incident**; or
2. substantially equivalent to (or less than) the cost to repair or replace the **Computer System** the **Insured** had before a **System Failure** took place.

Under no circumstances will the **Insurer** pay costs of acquiring or installing **Computer Systems** which did not form a part of the **Insured's Computer Systems** immediately prior to the **Network Security Incident**.

X. **First Party Expense**. See **Policy** Section I, A.

Y. **First Party Loss**. See **Policy** Section I, B.

Z. **Forensics** means the reasonable investigation and analysis charged by third-party service providers of the **Computer System** to determine the cause, extent, and scope of a **Privacy Incident** or **Network Security Incident**. **Forensics** does not include **Incident Response**.

AA. **GDPR** means the General Data Protection Regulation (Regulation (EU) 2016/679) and any amendment thereto. The **GDPR** shall also include any state, provincial, territorial, local, or federal regulations enacted in furtherance of or pursuant to implementation of the General Data Protection Regulation (Regulation (EU) 2016/679) and any amendment thereto.

BB. **GDPR Proceeding** means a formal investigation of or an administrative adjudication proceeding against an **Insured** concerning the **GDPR** by an administrative or regulatory agency, including an appeal thereof, commenced by the **Insured's** receipt of a subpoena, investigative demand, complaint, or similar document.

CC. **Healthcare Records Remediation Service** means the following services:

- (1) Conducting credit and non-credit investigations to identify fraudulent use of protected health information;

- (2) Establishing a hotline for the **Insured's** potentially affected individuals in compliance with the Health Information Technology for Economic and Clinical Health Act (HITECH) (U.S.) requirements or the requirements of any similar Canadian federal, provincial or territorial law, act, statute or regulation; and
- (3) Conducting healthcare identity restoration services for **Insured's** potentially affected individuals.

DD. Identity Monitoring Services means credit monitoring, identity monitoring or identity restoration services and identification theft insurance (provided we shall have no obligation to furnish such insurance), for a period of up to two years (or more if required by law) for individuals whose **Protected Information** was or may have been impacted as a direct result of a **Privacy Incident**.

EE. Incident Consultation means necessary and reasonable costs charged by a law firm, forensics and/or public relations firm designated by the **Insurer** to provide immediate consultative services following the **Insured's** discovery of an actual or suspected **Privacy Incident** or **Network Security Incident**. **Incident Consultation** does not include **Incident Response**.

FF. Incident Response means the costs and expenses charged by the law firm, forensics and/or public relations firm, designated by the **Insurer** to coordinate the investigation and response efforts following a **Privacy Incident** or **Network Security Incident**, and including those costs and expenses required to comply with **Privacy and Security Regulations** concerning such **Privacy Incident** or **Network Security Incident**.

GG. Income Loss means the **Insured Organization's** measurable net profit before income taxes that the **Insured Organization** would have earned had no intervening event taken place, or the net loss before income taxes the **Insured Organization** is unable to avoid, during the **Period of Recovery**.

HH. Insured means the **Insured Organization** as well as any past, present or future: director, officer, board member, trustee, owner, partner, principal, manager, and employee (including full time, part time, temporary, leased, seasonal, independent contractor and volunteer) but only for acts performed within the scope of their duties on behalf of the **Insured Organization**.

II. Insured Organization means **Named Insured** and any **Subsidiary**.

JJ. Insurer means the entity issuing this **Policy** listed on the Declarations.

KK. Interrelated Incident means any **Privacy Incidents**, **Network Security Incidents**, **Cyber Crime Incidents** or **Media Incidents** that have as a common nexus any: (1) fact, circumstance, situation, event, transaction or cause; or (2) series of causally connected facts, circumstances, situations, events, transactions or causes.

LL. Interruption of Service means the actual and measurable interruption or degradation in performance of the **Insured's Computer System**. **Interruption of Services** also means a voluntary shutdown of the **Insured's Computer System** when such action is taken to minimize, avoid or reduce **Unauthorized Access** or **Unauthorized Use**.

MM. Liability Expense. See **Policy** Section I, C.

NN. Money means currency, coins or bank notes in current use and having face value; and traveler's checks, registered checks, or money orders held for sale to the public.

OO. Media Incident means any actual or alleged:

- (1) Defamation, slander, libel, or product disparagement alleged by a person or organization

that claims to have been defamed, slandered or libeled, or by a person or organization that claims that his, her or its products have been disparaged;

- (2) Appropriation of name or likeness or publicity that places a person in a false light; or public disclosure of private facts;
- (3) Infringement of title, slogan, trademark, trade name, trade dress, service mark or service name;
- (4) Copyright infringement, plagiarism, or misappropriation of information or ideas; or
- (5) Improper deep linking or framing;

directly resulting from publication of content on the **Insured Organization's** website, in its printed material, or posted by or on behalf of the **Insured** on any social media site.

Media Incident shall not include false advertising or labeling on the **Insured's** products or services.

PP. Named Insured means the legal entity stated in Item 1. of the Declarations.

QQ. Negative Publicity Event means a communication via any medium, including but not limited to television, print, radio, electronic, or digital form regarding previously non-public information specifically arising from an actual or alleged **Privacy Incident**, **Network Security Incident**, **Media Incident**, or **Cyber Crime Incident** that threatens to, or actually does, negatively and material harm the **Insured's** reputation.

RR. Negative Publicity Event Waiting Period means the corresponding amount of hours, as shown in Section 1.A. Item 5. of the Declarations applicable to the **Reputational Harm Expense**, beginning with the time that a **Negative Publicity Event** is first discovered.

SS. Network Security Incident means the **Insured's** actual or alleged failure to prevent: (1) **Unauthorized Access** to or **Unauthorized Use** of the **Computer System** or **Third-Party Network**; (2) a **Denial of Service Attack** upon or directed at the **Computer System** or **Third-Party Network**; or (3) malicious code or computer virus created or transmitted by or introduced into the **Computer System** or **Third-Party Network** that does or could destroy, alter, manipulate, or degrade the integrity or performance of a **Computer System**.

TT. Notification means sending notice and providing call center services for individuals whose **Protected Information** was or may have been impacted as a direct result of a **Privacy Incident**.

UU. Overtime Salaries means the reasonable overtime salaries paid to employees of the **Insured** assigned to handle inquiries from the parties affected by a **Cyber Event**.

VV. Payment Card Services Agreement means a written agreement between the **Insured Organization** and a financial institution, a payment card company or payment card processor which enables the **Insured Organization** to accept credit, debit, prepaid or other payment cards as payment for goods or services provided by the **Insured Organization**.

WW. PCI Costs means amounts the **Insured Organization** is legally obligated to pay under a **Payment Card Services Agreement** including: (1) monetary assessments; (2) fines; (3) penalties; (4) chargebacks; (5) reimbursements; (6) fraud recoveries; (7) forensic investigation, including any PCI forensic investigator; and (8) costs or expenses incurred in connection with a **PCI DSS** compliance audit. **PCI Costs** will not include any amount levied against the **Insured** for non-compliance with **PCI DSS** that continues after the **Insured** has notice of such non-compliance or costs or expenses incurred to update or improve privacy or network security controls, policies, or procedures to a level beyond that which existed prior to the event giving rise to PCI Costs or to be compliant with applicable Payment Card Industry Data Security Standards.

XX. **PCI DSS** means the Payment Card Industry Data Security Standards now in effect or as amended.

YY. **Period of Indemnity** means the period of time beginning at the conclusion of the **Negative Publicity Event Waiting Period** and ending at the earlier:

- (1) the date that the **Insured** discontinues to suffer a loss of net income; or
- (2) six months after the conclusion of the **Negative Publicity Event Waiting Period** and not limited by the expiration of the **Policy Period**

ZZ. **Period of Recovery** is the continuous period of time that begins at the time of **Interruption of Service** of the **Computer System** and ends when the **Computer System** is reasonably restored or repaired, or in the exercise of due diligence and dispatch could have been restored, to the same functionality and level of service that existed prior to the interruption degradation, or suspension. In no event will the **Period of Recovery** exceed one hundred eighty (180) days.

AAA. **Personally Identifiable Information** means:

- (1) any information from which an individual may be uniquely and reliably identified or contacted, including but not limited to an individual's name, telephone number, email address, social insurance number, social security number, medical or healthcare data or other protected health information, biometric record, driver license number, state, provincial, or territorial identification number, account number, credit card number, debit card number, or access code or password that would permit access to that individual's financial account;
- (2) any other non-public personal information as defined in **Privacy and Security Regulations**.

BBB. **Privacy Incident** means:

- (1) any actual or alleged failure by:
 - (a) the **Insured**;
 - (b) a third party for whom the **Insured** is legally responsible; or
 - (c) a Service Provider under written contract with the **Insured** to process, store or maintain **Protected Information** on behalf of the **Insured**to prevent **Unauthorized Access, Unauthorized Use**, acquisition, manipulation, loss, theft or misappropriation of **Protected Information**. **Privacy Incident** also means the violation of the **Insured Organization's** privacy policy unintentionally committed by the **Insured**;
- (2) a violation of any **Privacy and Security Regulations**; and
- (3) the unauthorized or wrongful collection, retention or use of **Personally Identifiable Information** by the **Insured**.

CCC. **Privacy and Security Regulations** means any local, state, federal, and foreign identity theft and privacy protection laws, legislation, statutes, or regulations that requests (1) notice to persons whose **Personally Identifiable Information** was, or reasonably considered likely to have been, accessed or acquired by an unauthorized person; or (2) notice to regulatory agencies of such incident.

Privacy and Security Regulation does not include the **GDPR**.

DDD. **Professional Services** means those acts or services requiring specialized knowledge, skill, or professional judgment that the **Insured** renders to others pursuant to a written agreement and for a fee or other consideration.

EEE. **Property Damage** means physical damage to, loss or destruction of tangible property, including the loss of use of such property.

FFF. **Protected Information** means the following in any format: (1) any non-public **Personally Identifiable Information** (including but not limited to personal health information), whether in

electronic form, paper or otherwise as defined in any **Privacy and Security Regulations**; and
(2) any confidential or proprietary information of a third party provided to the **Insured** and protected under a previously executed confidentiality agreement for which the **Insured** is legally responsible to maintain in confidence.

GGG. Policy means this policy (including the Declarations, **Application** and any information provided therewith) and any written endorsements attached hereto.

HHH. Policy Period means the period of time from the inception date of this **Policy** shown in the Declarations specified in Item 2. of the Declarations to the expiration date shown in the Declarations, or its earlier cancellation or termination date.

III. Regulatory Costs means:

- (1) amounts paid to a consumer redress fund;
- (2) fines; or
- (3) penalties

imposed by a federal, state or foreign governmental entity in such entity's regulatory or official capacity, due to a **Privacy Incident**.

JJJ. Reputational Harm Expense

- (1) means **Income Loss** the **Insured** sustains during the **Period of Indemnity** that directly results from a **Negative Publicity Event**. For purposes of this coverage, **Income Loss** means the net profit before income taxes that the **Insured** is prevented from earning or the additional net loss before income taxes that the **Insured** incurs, due to:

- (a) Termination of the **Insured's** service contracts with one or more of the **Insured's Clients**;
- (b) Reduction in the value of the **Insured's** business and brands; or
- (c) Both (1) and (2) of this definition

arising directly from a **Privacy Incident, Network Security Incident, or Cyber Crime Incident**.

- (2) does not include any:

- (a) contractual penalty;
- (b) expense incurred to identify or remediate **Software** program errors or vulnerabilities;
- (c) **Liability Expense**;
- (d) cost resulting from an actual interruption or suspension of an **Insured's** business directly cause by a **Privacy Incident, Network Security Incident, System Failure or Media Incident**;
- (e) legal cost or expense;
- (f) loss arising out of liability to any third party;
- (g) fee or expense for the services of a public relations firm, crisis management firm or law firm to advise an **Insured** on minimizing the harm to an **Insured's** brand or reputation, or restoring public confidence in an **Insured**;
- (h) other consequential loss or damage; or
- (i) **Claim, Privacy Incident, Network Security Incident or Media Incident** covered under I.A.1. to I.A.4 of the Declarations.

KKK. Reverse Social Engineering Attack, also known as invoice manipulation, means the intentional use of the **Computer System** to mislead or deceive the **Insured's Client or Vendor**, through misrepresentation of a material fact which is relied upon, believing it to be genuine, and which results in the **Insured's Client or Vendor** transferring **Money or Securities, or Digital Currency** intended for the **Insured** to another person or entity.

LLL. Securities means negotiable and nonnegotiable instruments or contracts representing either **Money or Property**.

MMM. Service Provider means a business the **Insured** does not own, operate, or control, but that the **Insured** hire for a fee pursuant to a written contract to perform services related to the conduct of the **Insured's** business, including but not limited to:

- (1) Maintaining, managing, or controlling **Computer Systems**;
- (2) Hosting or facilitating the **Insured's** internet website; or
- (3) Providing administrative functions, human relations, marketing or other outsourced services to the **Insured**.

Service Provider's Computer System means the **Computer System** owned or operated by the Service Provider performing these functions designated in (1) through (3) above.

NNN. Social Engineering Attack means the manipulation or deception, by an unauthorized third party, of a director, officer, board member, trustee, owner, partner, principal, manager, or employee (including full time, part time, temporary, leased, seasonal, independent contractor and volunteer) of the **Insured Organization**, who is authorized to request or make payments on behalf of the **Insured Organization**. The manipulation or deception must be accomplished by the transmission of fraudulent communications by the unauthorized third party, and cause the director, officer, board member, trustee, owner, partner, principal, manager, or employee (including full time, part time, temporary, leased, seasonal, independent contractor and volunteer) to transfer, pay or deliver the **Insured Organization's Money** to an unintended third-party recipient.

OOO. Software means operations and applications, codes and programs by which **Electronic Data** are electronically collected, transmitted, processed, stored, or received. **Software** does not include **Electronic Data**.

PPP. Subsidiary means any entity while the **Named Insured**: (1) owns more than 50% of such entity's outstanding voting securities, partnership or membership units; (2) has the right to elect or appoint a majority of such entity's directors, officers, managers or trustees; or (3) has sole control over such entity's management structure pursuant to a written contract. **Subsidiary** also means any entity that is acquired by the **Insured Organization** during the **Policy Period** and whose record count or annual revenues do not exceed 15% of the **Insured Organization**.

QQQ. System Failure means:

- (1) an accidental, unintentional, or negligent act or an error or omission committed by the **Insured** or the **Service Provider** in the course of:
 - (a) data processing, programming, maintenance, service, conversion, modifying, handling, developing, or maintaining **Electronic Data** or **Software**; or
 - (b) operating, maintaining, or repair of **Computer Systems**, including the collection, compilation, processing, warehousing, mining, storage, or management of data; and
- (2) the physical theft of hardware, or components thereof, controlled by the **Insured** on which **Electronic Data** is stored, by a person other than an **Insured**, from premises occupied and controlled by the **Insured**.

RRR. System Failure Business Interruption means the **Insurer** shall pay the **Insured** for **Business Interruption Loss** the **Insured** sustains and reimburse the **Insured** for any related **Extra Expense** the **Insured** incurs during the **Period of Recovery** which exceeds the **Waiting Period** due to a **System Failure** that directly results in an **Interruption of Service** that first occurs during the **Policy Period**.

SSS. System Failure Contingent Business Interruption means we shall pay the **Insured** for **Business Interruption Loss** the **Insured** sustains and reimburse the **Insured** for any related **Extra Expense** the **Insured** incurs during the **Period of Recovery** which exceeds the **Waiting Period** due to a **System Failure** of a **Service Provider's Computer System** that directly results in an **Interruption of Service** that first occurs during the **Policy Period** but only if such **Interruption of Service** would have been covered under this **Policy** if such **Service Provider** had been the **Insured**, applying the same

terms and conditions herein.

TTT. Telecommunications Hack means the unauthorized infiltration and manipulation by a third party of the **Insured's** telephone or fax system in connection with its normal business activities.

UUU. Third-Party Network means computer hardware, **Software** and networking equipment owned, leased or operated by an entity or individual, other than an **Insured**, and who is operating under written contract with the **Insured Organization** to provide business process outsourcing services or information technology services in support of the **Insured Organization's** business operations.

VVV. Transfer of Funds Loss means loss of funds directly resulting from the transmission of fraudulent instructions to a financial institution which direct that financial institution, to initiate an electronic funds transfer from the **Insured's** account, or otherwise debit the **Insured's** account.

WWW. Unauthorized Access means the gaining of access to a **Computer System** by an unauthorized person or persons, or by an authorized person or persons in an unauthorized manner.

XXX. Unauthorized Use means the use of a **Computer System** by an unauthorized person or persons or by an authorized person or persons in an unauthorized manner.

YYY. Vendor means any person or entity with whom the **Insured Organization** has entered into a written contract to provide services to the **Insured Organization** and is not owned, operated, or controlled by the **Insured Organization**.

ZZZ. Voice computer system means a **Computer System** which provides a capability used for the direction or routing of telephone calls in a voice communication network.

AAAA. Waiting Period means the number of consecutive hours specified in Item 5. of the Declarations that immediately follows the **Interruption of Services** related to the **Insured's Computer System** or a **Third-Party Network** and will apply to each **Period of Recovery**.

BBBB. Your Network Security means the use of hardware, **Software**, firmware and written security policies and procedures by the **Insured**, or by others on the **Insured's** behalf, to protect against **Unauthorized Access** to, or the **Unauthorized Use** of, your **Computer System** including the use of the **Insured's Computer System** in a **Denial of Service Attack**.

SECTION III. EXCLUSIONS

The **Insurer** will not make any payment for any **First Party Loss, First Party Expense, or Liability Expense** based upon, arising out of, directly or indirectly resulting from, or in the consequence of:

- A. Conduct** Any actual or alleged dishonest, fraudulent, criminal, or malicious, act, error or omission or willful violation of any statute or regulation by or with the knowledge of (1) the Owner, (2) President, (3) Chief Executive Officer, (4) Chief Operating Officer, (5) Chief Financial Officer, (6) Chief Information Officer, (7) Chief Technology Officer, (8) Chief Security Officer, (9) Chief Privacy Officer, (10) General Counsel, (11) Partner, (12) Director of Risk Management or any individual in a position functionally equivalent to any of the aforementioned 12 positions of the **Insured Organization**; provided, however, that this exclusion will not apply to **Defense Expenses** until there

is an admission, plea of no contest, a final non-appealable adjudication, binding arbitration or judgment in a proceeding establishing such conduct.

- B. War** War or Civil Unrest based upon, arising out of, or attributable to: (1) war, including undeclared or civil war, or action by a military force, including action in hindering or defending against an actual or expected attack, by any government or sovereign, or other authority using military personnel or other agents; or (2) insurrection, rebellion, revolution, riot, usurped power, or action taken by governmental authority using military personnel in hindering or defending against any of these, however, this exclusion does not apply to **Cyberterrorism**.
- C. Unlawful Profit** Any actual or alleged remuneration, profit or other advantage to which the **Insured** is not legally entitled.
- D. Property Damage and Bodily Injury** Any actual or alleged (1) **Property Damage** or; (2) **Bodily Injury**, physical injury, sickness, pain, suffering, disease or death of any person. **Bodily Injury** means mental anguish, emotional distress, pain and suffering, whether or not resulting from injury to the body, sickness, disease or death of any natural person, however, this exclusion does not apply to mental anguish, emotional distress, pain and suffering, or shock resulting from a **Privacy Incident**.
- E. Theft** Any actual or alleged loss, transfer or theft of monies, **Securities** or the value of tangible properties; provided however, this exclusion will not apply to an otherwise covered **Cyber Crime Loss** or **Transfer of Funds Loss**.
- F. Force Majeure** Any actual or alleged fire, smoke, explosion, lightning, wind, water, flood, earthquake, volcanic eruption, tidal wave, landslide, hail, act of God, epidemic, nature, or any other physical event.
- G. Pollution** Any actual or alleged discharge, dispersal, release or escape of toxic chemicals, liquids or gases, waste materials, pollutants or any other contaminants.
- H. Outage** Any actual or alleged electrical or mechanical failure including telecommunications, Internet service telecommunications, Internet service, satellite, cable, electricity, gas, water or other utility service providers not under the **Insured Organization's** operational control, whether or not there is another cause of loss which may have contributed concurrently or in any sequence to a loss. For the avoidance of doubt, this exclusion will not apply to any failure or outage in, or disruption of, power, utility services, satellites, or telecommunications external services under the direct operational control of the **Insured**.
- I. ERISA/SEC** Any actual or alleged violations of the Employee Retirement Income Security Act of 1974, the Securities Act of 1933, the Securities Exchange Act of 1934, any amendments thereto or any rules or regulations promulgated in connection therewith, or any derivative suit.
- J. Intellectual Property** Any actual or alleged violation or infringement of any intellectual property right or obligation, including:
1. infringement of copyright of software, firmware, or hardware;

2. misappropriation, misuse, infringement, or violation of any patent or trade secret;
3. distribution or sale of, or offer to distribute to sell, any goods, products, or services; or
4. other use of any goods, products, or services that infringes or violates any intellectual property law or right relating to the appearance, design, or function of any goods, products, or services;

however, this exclusion will not apply to an otherwise covered **Media Incident** provided that, this exception to exclusion J. Intellectual Property will not apply to any violation or infringement of any intellectual property right or obligation described in items 1. and 2. above.

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|-------------------------------------|---|
| K. Reduced Value of Data | Any actual or alleged reduction in economic or market value of any data. |
| L. Consumer Protection | Any actual or alleged unsolicited communications including fax, email, and text), false advertising, deceptive trade practices, restraint of trade, unfair competition or antitrust violations, including any as a violation of the Truth in Lending Act, Fair Debt Collection Practices Act, Telephone Consumer Protection Act, Fair Credit Reporting Act, Federal Trade Commission Act, Sherman Anti-Trust Act, the Clayton Act, or any amendments to the foregoing, or related state laws or anti-spam statutes or those concerning a person's right to seclusion, provided, however, this exclusion does not apply if such unsolicited electronic dissemination of faxes, electronic mail or other communications to multiple actual or prospective customers by the Insured or any other third party was caused by a Network Security Incident . |
| M. Employment Discrimination | Any actual or alleged employment practice violation or a Claim by or on behalf of any Insured ; provided, however, that this exclusion will not apply to an otherwise covered Claim arising out of a Privacy Incident . |
| N. Prior Knowledge | Any: (1) Claim, Privacy Incident, Network Security Incident, Cyber Crime Incident, Media Incident, Interrelated Incident , fact, circumstance, transaction or event which has been the subject of any written notice given under any other policy before the inception date of this Policy ; (2) prior or pending litigation, regulatory or administrative proceeding or any Claim of which the Insured had knowledge or received notice prior to the inception date of this Policy or, if this Policy is a renewal of another policy issued by the Insurer , the first such insurance policy issued to the Named Insured by the Insurer and continuously renewed until the inception date of this Policy ; or (3) any matter that prior to the inception date of this Policy , or if this Policy is a renewal of another policy issued by the Insurer , the first such insurance policy issued to the Named Insured by the Insurer and continuously renewed until the inception date of this Policy , the Insured knew or reasonably should have known could lead to a Claim, First Party Loss, First Party Expense or Liability Expense . |
| O. Governmental Acts | Any: (1) action by a public or governmental entity, including the seizure or destruction of the Insured's Computer System or (2) a government required closure. |

- P. Games of Chance** Any contest, game of chance or skill, gambling, lottery, or promotional game, including tickets or coupons or over-redemption related thereto.
- Q. Breach of Contract** Any contractual liability or obligation or any breach of any contract, warranty, guarantee or prime, including any liability of others assumed by any **Insured**; provided, however, this exclusion shall not apply:
- 1) if such liability would have attached to the **Insured** even in the absence of such contract, warranty, guarantee or promise;
 - 2) to any obligation to maintain the confidentiality or security of **Personally Identifiable Information** or **Protected Information**, solely if such liability arises out of a **Privacy Incident** or **Network Security Incident**; or
 - 3) to any obligation to comply with the Payment Card Industry Data Security Standard under a merchant services agreement or similar contract.
- R. Breach of Warranty** Any actual or alleged:
- 1) breach of any warranty, guarantee, or prime of fitness or suitability, whether express, implied, constructive, oral or written;
 - 2) inaccurate, inadequate, or incomplete description of the price of your goods, products or services; or
 - 3) failure of any good, product or service to conform with an advertised quality or performance,
- provided, however, that this exclusion does not apply to any:
- a) **Liability Expenses** resulting from any **Claim** made against any **Insured**;
 - b) **First Party Expense** you incur resulting from a **Cyber Event**
 - c) other amount claimed under any other Coverage that would exist even in the absence of such warranty, guarantee, or promise.
- S. Insured vs. Insured** Any Claim made by or on behalf of, or at the behest of, or for the benefit of, any Insured against any other Insured. This exclusion shall not apply to any **Claim** brought by:
- 1) any **Insured** in his or her capacity:
 - a) as your customer or **Client**; or
 - b) as your employee or independent contractor for a **Privacy Incident** relating to the theft, loss, unauthorized access, or unauthorized disclosure of such employee's or independent contractor's **Personally Identifiable Information**; or
 - 2) any entity other than you if any **Insured** served as a director or officer of such entity at the time the **Cyber Event** took place.
- T. Product or Service Failure** Any:
- (1) failure of the **Insured's** products, including **Software**, to perform the function, or serve the purpose, intended by any third party or any **Insured**; or
 - (2) the rendering of or failure to render **Professional Services**,
- however, this exclusion shall not apply to any obligation to maintain the confidentiality or security of **Personally Identifiable Information** or **Protected Information**, solely if such liability arises out of a **Cyber Event**.

SECTION IV. GENERAL TERMS AND CONDITIONS

A. Limit of Insurance and Deductible

- (1) The aggregate limit of liability as indicated in Item 3. of the Declarations is the maximum the **Insurer** is obligated to pay for all **First Party Loss** and **First Party Expense**, covered by this **Policy**. The aggregate limit of liability as indicated in Item 3. of the Declarations is the maximum the **Insurer** is obligated to pay for all **Liability Expense** covered by this **Policy**.
- (2) The **Insurer** will only be liable for those amounts payable under this **Policy** which are in excess of the applicable Deductible(s). Such Deductibles must be paid by the **Insured** and cannot be insured.
- (3) In the event more than one Deductible/**Waiting Period** applies to any **Claim, First Party Loss, First Party Expense**, or **Liability Expense** the maximum total Deductible/**Waiting Period** applicable to such **Claim, First Party Loss, First Party Expense**, or **Liability Expense** shall be the largest of such applicable Deductible/**Waiting Period**.
- (4) With respect to the Declarations Section II.B.1. to II.B.4., the applicable Retention/**Waiting Period** is the greater of:
 - (a) the applicable dollar Retention amount; or
 - (b) the **Waiting Period**
 set forth in Item 5. of the Declarations for the respective Insuring Agreement. **Business Interruption Loss, Contingent Business Interruption Loss**, and **Extra Expense** applicable to the Retention/**Waiting Period** shall be computed as the start of the **Interruption of Service**.
- (5) With respect to the Insuring Agreement I.A.5., the **Insurer** shall pay only **Reputational Harm Expense** in excess of the **Negative Publicity Event Waiting Period** listed under Item 5.I.A.(5).

B. Defense and Settlement

The **Insurer** has the right and duty to defend, and the right to select counsel to defend an **Insured** against any **Claim**, even if the allegations of the **Claim** are groundless, false or fraudulent. The **Insurer's** duty to defend will cease upon the exhaustion of the **Liability Expense** aggregate limit of liability as indicated in Item 5.I.C.(1). of the Declarations. The **Insured** agrees not to make any payment, participate in any settlement, admit liability, assume obligation or incur any **First Party Loss, First Party Expense**, or **Liability Expense** without the prior written consent of the **Insurer**, which consent will not be unreasonably withheld. The **Insured** must provide the **Insurer** with full assistance and cooperation and must provide all information deemed necessary to investigate any **Privacy Incident, Network Security Incident** or **Media Incident**, settle any **Claim**, or pay any **First Party Loss, First Party Expense**, or **Liability Expense**.

If the **Insured** refuses to consent to any settlement or compromise recommended by the **Insurer** and acceptable to the claimant, the **Insurer's** liability for such **Claim** will not exceed:

1. the amount for which such **Claim** could have been settled plus **Defense Expenses** incurred up to the time and date the **Insured** refused to settle such **Claim**; and
2. fifty percent (50%) of **Liability Expenses** incurred after such settlement was refused by the **Insured**,

in excess of the amount such **Claim** could have settled under such settlement. The remaining **Liability Expenses** shall be borne by, or on behalf of, the **Insured** at its own risk.

C. Notice

1. Notice to **Insurer**

As a condition precedent to coverage under this **Policy**

- (a) the **Insured** must provide written notice to the **Insurer** of any **Privacy Incident**, **Network Security Incident** or **Cyber Crime Incident** as soon as possible after the **Insured** is made aware of such **Privacy Incident**, **Network Security Incident** or **Cyber Crime Incident** but in no event more than ninety (90) days after the **Privacy Incident**, **Network Security Incident** or **Cyber Crime Incident** is discovered by the **Insured**. The **Insured** will not incur any **First Party Loss** and **First Party Expense** without the **Insurer's** consent; and
- (b) the **Insured** must provide written notice to the **Insurer** of any **Claim** as soon as possible after the **Insured** is made aware of such **Claim** but no later than ninety (90) days after the end of the **Policy Period** or end of the Extended Reporting Period (if applicable). The **Insured** will not incur any **Liability Expense** without the **Insurer's** consent.

2. Notice of Circumstance

If, during the **Policy Period** or Extended Reporting Period (if applicable) any **Insured** first becomes aware of a **Privacy Incident**, **Network Security Incident** or **Media Incident** which may reasonably give rise to a future **Claim** under this **Policy** and gives written notice to the **Insurer** of:

- a) the nature of the **Privacy Incident**, **Network Security Incident** or **Media Incident**;
- b) the parties involved;
- c) the injury or damages that has or may result therefrom; and
- d) the circumstances by which the **Insured** first became aware thereof;

then any **Claim** arising out of an **Interrelated incident** that involves a **Privacy Incident**, **Network Security Incident** or **Media Incident** that is subsequently made against the **Insured** will be related back to and be deemed to have been made at the time any **Insured** gave such written notice of circumstances to the **Insurer**.

The **Insured** will provide written notice to the **Insurer** either to the mailing or email address set forth in Item 10. of the Declarations. Communication or assistance in connection with any **Incident Consultation** DOES NOT constitute Notice to **Insurer** or Notice of Circumstance under this **Policy**.

D. Proof of Loss

Requests for payment or reimbursement of **First Party Loss** and **First Party Expense**, incurred by the **Insured** will be accompanied by a proof of such **First Party Loss** and **First Party Expense**. Such proof of loss must include, in detail, how the costs were calculated, what assumptions have been made and will include any applicable reports, books of accounts, bills, invoices and other vouchers or proofs of payment made by the **Insured** in relation to such **First Party Loss** and **First Party Expense**. Furthermore, the **Insured** will cooperate with, and provide any additional information reasonably requested by, the **Insurer** in its investigation of **First Party Loss** and **First Party Expense**, including but not limited to the exercise of the **Insurer's** right to investigate and audit the proof of loss and inspect the records of an **Insured**.

Business Interruption Loss or **Contingent Business Interruption Loss** will be determined by taking full account and due consideration of an **Insured's** proof of loss in addition to business conditions affecting the **Insured Organization's** net profit, including net profit gained during the same period in the prior year, had the **Network Security Incident** not occurred. Under no circumstances will the determination include a potential increase in net profit the **Insured** may

have earned as a result of an increase in the volume of the **Insured Organization's** business due to potential favorable business conditions.

The **Insured** 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 **Claim**, including an **Insured's** books and records. In the event of an examination, an **Insured's** answers must be signed.

E. Extended Reporting Period

1. Automatic Extended Reporting Period

If this **Policy** is cancelled or non-renewed for any reason other than non-payment of premium, the **Named Insured** will have an automatic Extended Reporting Period, for a period of sixty (60) days after the end of the **Policy Period**.

2. Additional Extended Reporting Period

If this **Policy** is cancelled or non-renewed for any reason other than non-payment of premium, provided the **Insured** does not obtain replacement coverage as of the effective date of such cancellation or non-renewal, the **Named Insured** will have the right to purchase an Additional Extended Reporting Period within sixty (60) days after the end of the **Policy Period**. Such Additional Extended Reporting period will be for a period of:

- a. 12 months after the end of the Automatic Extended Reporting Period and will be subject to an additional premium of 75% of the annualized premium;
- b. 24 months after the end of the Automatic Extended Reporting Period and will be subject to an additional premium of 125% of the annualized premium; or
- c. 36 months after the end of the Automatic Extended Reporting Period and will be subject to an additional premium of 150% of the annualized premium.

The Additional Extended Reporting Period is non-cancelable and the additional premium for the Additional Extended Reporting Period will be fully earned at the time of purchase.

The Additional Extended Reporting Period does not increase or reinstate any limits of insurance and does not provide coverage for **First Party Loss, First Party Expense, or Liability Expense** from any **Privacy Incident, Network Security Incident, Cyber Crime Incident or Media Incident** which first takes place after the end of the **Policy Period**. A change in terms, conditions, exclusions or premiums of this **Policy** will not be considered a non-renewal for purposes of triggering the **Named Insured's** right to purchase an Additional Extended Reporting Period.

F. Cancellation and Non-Renewal

1. Cancellation

- a. The **Named Insured** may cancel this **Policy** by surrender of this **Policy** to the **Insurer** or by giving prior written notice to the **Insurer** stating such cancellation shall take effect.
- b. This **Policy** may not be canceled by the **Insurer** except for one or more of the following reasons:
 - i. non payment of premium; or
 - ii. fraud or material misrepresentation affecting this **Policy**.
- c. Written Notice of cancellation shall be mailed or delivered by the **Insurer** to the **Named Insured** at least:
 - i. 15 days prior to the effective date of cancellation, if this **Policy** is cancelled for

- nonpayment of premium; or
- ii. 60 days prior to the effective date of cancellation, if this Policy is cancelled for any reason other than nonpayment of premium.
- d. In the event of cancellation, the **Insurer** shall refund the unearned premium pro rata.

2. Nonrenewal

If the **Insurer** elects not to renew this Policy, the **Insurer** shall mail to the **Named Insured** written notice thereof at least 60 days prior to the expiration of the **Policy Period** unless:

- a. the reason for the nonrenewal is due to the nonpayment of premium; or
- b. the **Named Insured** has abstained replacement coverage with another insurance company.

The **Insurer's** offer of renewal terms and conditions or premium different than those in effect prior to the renewal shall not constitute an election by the **Insurer** not to renew this Policy.

3. Notice

The **Insurer** shall send all notices required under this Subsection IV.F.1. by certified mail or registered mail to the **Named Insured** at the address in Item 1. of the Declarations, and by mail or electronic mail to the **Named Insured's** authorized agent or broker, if any. Proof of mailing shall be sufficient proof of notice.

G. Spouses, Domestic Partners, Estates and Legal Representatives

Coverage under this **Policy** will extend to any **Claim** resulting from any **Privacy Incident**, **Network Security Incident** or **Media Incident** made against the lawful spouse or domestic partner of an **Insured** as well as the estate, heir or legal representative of an **Insured** who is deceased or legally incompetent, insolvent or bankrupt; however, no coverage is provided for any act, error or omission of said spouse, domestic partner, estate, heir or legal representative. It is further understood that all terms and conditions of this **Policy** apply to such **Claim** made against an **Insured's** spouse, domestic partner, estate, heir or legal representative.

H. Application, Representations and Severability

The **Insured** represents that the particulars and statements contained in the **Application** are true, complete and accurate. The **Insured** issued this **Policy** in reliance upon the truth of those representations and such particulars and statements by the **Insured**, which are deemed to be incorporated into and constitute part of this **Policy**, are the basis of this **Policy**. In the event there is any material misrepresentation, untruth or other omission in connection with any of the statements of facts in the **Application** then this **Policy** will be void with respect to: (1) any **Insured** who knew of such misrepresentation, untruth or omission; and (2) the **Insured Organization** but only if the Owner, President, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Chief Information Officer, Chief Technology Officer, Chief Security Officer, Chief Privacy Officer, General Counsel, Partner, Director of Risk Management, or any individual in a position functionally equivalent to any of those aforementioned positions of the **Insured Organization** knew of such misrepresentation, untruth or omission.

I. Subrogation

In the event of any payment under this **Policy**, and there is the ability to recover against any third party, it is agreed that the **Insured** tenders its rights of recovery to the **Insurer**. The **Insured** also agrees to assist the **Insurer** in exercising such rights. If prior to the **Privacy Incident**, **Network Incident**, **Cyber Crime Incident** or **Media Incident** connected with such payment, the **Insured** has agreed in writing to waive such rights of recovery against a third party, then the **Insurer** will not, and will not have an obligation to, pursue its rights of recovery against said third party.

J. Other Insurance

First Party Loss and **First Party Expense** covered by this **Policy** is also covered by any other valid and collectible **policy** with an applicable sublimit that is lower than the available limit under this **Policy**, then this **Policy** will apply as the primary policy.

If any **Claim** covered by this **Policy** is also covered by any other valid and collectible policy, then this **Policy** will only apply to the **Liability Expense** in excess of the amount of any deductible, retention or limit of insurance under such other policy whether such other policy is stated to be primary, contributory, excess, contingent or otherwise, unless such other policy is written specifically excess of this **Policy**.

K. Territory

The coverage provided under this **Policy** applies worldwide. However, coverage provided under this **Policy** does not apply to the extent that trade or economic sanctions or other similar laws or regulations prohibit the **Insurer** from providing coverage or payment of **Claims**.

L. Currency

All **First Party Loss**, **First Party Expense**, **Liability Expense**, premium, limits of liability, retention and any other amounts under this Policy are expressed and payable in the currency of the United States of America. If any settlement, judgement, **First Party Loss**, **First Party Expense**, **Liability Expense** or any other amounts under this **Policy** are incurred, stated, determined or adjudicated in a currency other than United States dollars then payment shall be made in United States dollars at the rate of exchange published in the Wall Street Journal on the date the **Insurer** is obligated to pay such amount.

M. Material Changes

1. Acquisition or Formation of Subsidiary

- a. If during the **Policy Period**, the **Named Insured** acquires or forms any **Subsidiary**, then the coverage of this **Policy** shall automatically apply to such acquired or formed organization from the date of such acquisition or formation, unless the annual revenue of such acquired or formed organization immediately preceding such acquisition or formation is more than 20% of the consolidated annual revenue of the **Named Insured's** revenues immediately preceding such acquisition or formation.
- b. if, during the **Policy Period**, the **Named Insured** acquires or forms any **Subsidiary** and the annual revenue of such acquired or formed organization immediately preceding such acquisition or formation is more than 20% of the consolidated annual revenue of the **Named Insured's** revenues immediately preceding such acquisition or formation, coverage for such acquired or formed organization shall apply from the date of such acquisition or formation and be conditioned upon:
 - i. the **Named Insured** notifying the **Insurer** in writing within 90 days of the acquisition or formation of such organization;
 - ii. our receiving full information including an application as the **Insurer** deems necessary;
 - iii. the **Named Insured's** agreement to any modification, premium adjustment, or both modification and premium adjustment, to this **Policy** that we may require with respect to such organization;
 - iv. the **Insurer's** agreement in writing to provide such coverage; and
 - v. the **Named Insured's** payment of any additional premium when due.

- c. Coverage under this **Policy** for any **Subsidiary** formed or acquired during the **Policy Period** shall apply only with respect to a **Privacy Incident, Network Security Incident, Cyber Crime Incident** or **Media Incident** that first took place prior to the effective date of such merger, acquisition or appointment.

2. Cessation of Subsidiaries

If any organization ceases to be a **Subsidiary**, no coverage shall be provided under this **Policy** with respect to any such organization for any:

- a. **Privacy Incident, Network Security Incident, Cyber Crime Incident** or **Media Incident** involving such organization
- b. amount claims under any Coverage incurred or sustained by any such organization or persons,

after the date such organization ceased to be a **Subsidiary**.

3. Acquisition or Bankruptcy of the **Named Insured**

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

- a) the acquisition by any person or entity or affiliated group of persons or entities of 50% or more of the **Named Insured's** issued and outstanding voting securities representing the present right to vote for the election of the **Named Insured's** directors;
- b) the acquisition, divestiture, or sale of more than 50% of your assets or liabilities (as reflected in the **Named Insured's** most recent financial statement) by or to any person or entity or affiliated group of persons or entities;
- c) the appointment of a receiver, conservator, trustee, liquidator, rehabilitator, or any similar official for or with respect to the **Named Insured**; or
- d) the **Named Insured's** merger with or consolidation into any other entity such that the **Named Insured** is not the surviving entity,

then such coverage as existed under this **Policy** before such event shall continue in full force and effect for any **Privacy Incident, Network Security Incident, Cyber Crime Incident** or **Media Incident** occurring before any of the events shown in IV.M.3.a., IV.M.3.b., IV.M.3.c., IV.M.3.d.. However, solely with respect to the events as shown in IV.M.3.a., IV.M.3.b., IV.M.3.d., coverage shall cease with respect to any **Privacy Incident, Network Security Incident, Cyber Crime Incident** or **Media Incident** occurring after such event.

The occurrence of an event as shown in IV.M.3.a., IV.M.3.b., IV.M.3.c., IV.M.3.d. shall not affect the **Insured's** right to purchase an Extended Reporting Period unless all premium due for the remainder of the **Policy Period** has not been fully paid within 30 days of the effective date of such event, in which case the **Insured** shall have no right to purchase the Extended Reporting Period.

N. Assignment

Assignment of interest under this **Policy** will not bind the **Insurer** unless its consent is endorsed hereon.

O. Conformity to Law

Any terms of this **Policy** in conflict with the terms of any applicable laws are hereby amended to conform to such laws.

P. Legal Action Against the **Insurer** and Bankruptcy

No action may be taken against the **Insurer** unless, as a condition precedent thereto, there has

been full compliance with all the terms of this **Policy** and the amount of an **Insured's** obligation to pay has been finally determined either by judgment against an **Insured** after adjudicatory proceedings, or by written agreement of the **Named Insured**, the claimant and the **Insurer**. No legal action can be brought under this **Policy** against anyone other than by the **Named Insured**.

Bankruptcy or insolvency of any **Insured** or the estate of any **Insured** will not relieve the **Insurer** of its obligations under this **Policy**.

Q. Alternative Dispute Resolution (ADR)

The **Insurer** and the **Named Insured** shall submit any dispute or controversy arising out of or relating to this **Policy** to non-binding mediation. Unless otherwise agreed by the parties, such non-binding mediation shall be administered by the American Arbitration Association in accordance with its then-prevailing Commercial Mediation Rules.

If the dispute is not resolved in the mediation, then either party to the mediation may thereafter commence a judicial proceeding against the other party with respect to such dispute, provided that neither party may commence such a judicial proceeding prior to 90 days following termination of the mediation.

The parties to the mediation shall share equally the fees and expenses of the mediator as well as other common expenses of the mediation process.

R. Representative of the Insured

By acceptance of this **Policy**, the **Named Insured** will be designated to act on behalf of all **Insureds** for all purposes including the giving and receiving of all notices and correspondence, the cancellation or non-renewal of this **Policy**, the payment of premiums and the receipt of any return premiums that may be due under this **Policy**.

S. Entire Agreement

This **Policy** constitutes the entire agreement between the parties. The terms, conditions and limitations of this **Policy** can be waived or changed only by written endorsement. No change to this **Policy** can be made except by written endorsement to this **Policy** signed by an authorized representative of the **Insured**. Headings used in this **Policy** are for convenience and do not expand or interpret the **Policy** terms.



SERVICE OF PROCESS ENDORSEMENT

Solely for the purpose of coverage under this endorsement it is understood and agreed the following changes are made to the **Policy**:

- I. In any cause of action arising under this **Policy**, or certificate, cover note, or other confirmation of this insurance issued by the **Insured's** surplus lines agent, **Insurer** will, at the **Insured's** request, submit to the jurisdiction of a court of competent jurisdiction within the United States as required by applicable law. Nothing herein constitutes or should be understood to constitute a waiver of **Insurer's** rights to commence an action in any court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another court as permitted by the laws of the United States or of any state in the United States. In any suit instituted against **Insurer** upon this **Policy**, **Insurer** will abide by the final decision of such court or of any appellate court in the event of appeal.
- II. All lawful process may be served in any action, suit or proceeding instituted by, or on behalf of, the **Insured** or any beneficiary under this policy, against **Insurer** arising out of this **Policy**, upon:
Palomar Excess and Surplus Insurance Company
General Counsel
7979 Ivanhoe Ave., Suite 500,
La Jolla, CA 92037
- III. Pursuant to any law of any state, the District of Columbia or territory of the United States which makes provision therefore, **Insurer** hereby designates the Superintendent, Commissioner or Director of Insurance or other applicable individual specified for that purpose in the applicable statute or regulation, or his successor or successors in office, as attorney or agent for receipt of lawful service of process as **Insurer's** true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the **Insured** or any beneficiary hereunder arising out of this **Policy**, and **Insurer** hereby designates the above-named as the person to whom the said individual, the surplus lines producer, or any applicable state surplus lines association or stamping office, is authorized to mail such process or a true copy thereof. The service of process as set forth above and below is cumulative to any other methods which may be provided by law for service of process upon **Insurer**.
- IV. **THE INSURER HEREBY MODIFIES THE LANGUAGE IN THE ENDORSEMENT ABOVE IN EACH APPLICABLE STATE AS SET FORTH BELOW TO COMPLY WITH THE DISCLOSURES AND REQUIREMENTS OF THAT STATE:**
 - A. **Alaska.** **Insurer** may be sued upon a cause of action arising in Alaska under this **Policy**, pursuant to the procedures set forth in AS 21.33. Further, by assuming surplus lines insurance, **Insurer** subjects itself to Chapter 31 of the Alaska Insurance Code.
 - B. **Arizona.** By issuing or delivering a surplus lines policy through a surplus lines broker in Arizona, **Insurer** is conclusively deemed to have irrevocably appointed the Arizona Director of Insurance as our agent for acceptance of service of all legal process issued in Arizona in any action or



proceeding under or arising out of such policy, and service of the process on the director is lawful personal service on **Insurer**.

- C. **Arkansas.** **Insurer** may be sued upon a cause of action arising in Arkansas under this **Policy**, pursuant to the procedures set forth in Ark. Code Ann. § 23-65-203.
- D. **California.** **Insurer** may be sued upon any cause of action arising in California under this **Policy**, or any evidence of such insurance issued or delivered by the surplus line broker, pursuant to the procedures set forth in Cal. Ins. Code §§ 1610 to 1620, inclusive. Further, by assuming surplus line insurance, **Insurer** subjects itself to Chapter 6 of the California Insurance Code.
- E. **Colorado.** In any cause of action arising under this **Policy**, **Insurer** may be sued in the district court of the county in which the cause of action arose. Service of legal process may be made in any such action by service upon the Commissioner of the Department of Insurance of Colorado as provided in Colo. Rev. Stat. Ann. § 10-5-114. The commissioner shall forthwith mail a copy of the process served to the person designated in Section II of this Endorsement, by prepaid registered mail with return receipt requested. **Insurer** shall have forty (40) days from the date of service upon the Commissioner within which to plead, answer, or otherwise defend the action. Upon service of process upon the commissioner in accordance with Colo. Rev. Stat. Ann. § 10-5-114, the court shall be deemed to have jurisdiction in personam over **Insurer**.
- F. **Delaware.** **Insurer** shall be sued upon any cause of action arising in Delaware under any contract issued by **Insurer** as a surplus line contract pursuant to Delaware surplus lines law, in the Superior Court of Delaware. Service of legal process against **Insurer** may be made in any such action by service of two (2) copies upon the Commissioner of the Department of Insurance of Delaware and payment of the service of process fee as specified in Del. Code Ann. tit. 18 § 701. The Commissioner shall in like manner mail a copy of the process served to the person designated in Section II of this Endorsement. Upon service of process upon the Commissioner in accordance with Del. Code Ann. tit. 18, § 1934, the court shall be deemed to have jurisdiction in personam over **Insurer**.
- G. **Georgia.** **Insurer** hereby designates the Georgia Insurance Commissioner as **Insurer's** true and lawful attorney, upon whom may be served all lawful process in any action, suit or proceeding arising out of any insurance **Insurer** writes delivered pursuant to Georgia. Code Ann. §§ 33-5-20 through 33-5-35, inclusive.
- H. **Hawaii.** **Insurer** may be sued upon any cause of action arising in Hawaii under this **Policy**, or any evidence of such insurance issued or delivered by the surplus line broker, pursuant to the procedures set forth in Hawaii Rev. Stat. § 431:2. Further, by assuming surplus line insurance, **Insurer** subjects itself to Chapter 8 of the Hawaii Insurance Code.
- I. **Idaho.** **Insurer** shall be sued upon any cause of action arising in Idaho under any contract issued by **Insurer** as a surplus line contract pursuant to Idaho surplus lines law, in the district court of the county in which the cause of action arose. Service of legal process against **Insurer** may be made in any such action by service upon the Director of the Department of Insurance of Idaho as provided in Idaho Code Ann. § 41-334(1). The director shall forthwith mail a copy of the process served to the person designated in Section II of this Endorsement, by prepaid registered mail with return receipt requested. **Insurer** shall have thirty (30) days from the date of service upon the director within which to plead, answer, or otherwise defend the action. Upon service of process upon the director in accordance with Idaho Code Ann. § 41-1231 the court shall be deemed to have jurisdiction in personam over **Insurer**.



- J. Illinois.** **Insurer** hereby designates the Illinois Director of Insurance and his successors in office as **Insurer's** true and lawful attorney, upon whom may be served all lawful process in any action, suit or proceeding arising out of any insurance **Insurer** writes delivered pursuant to 215 Ill. Comp. Stat. § 5/445.
- K. Iowa.** **Insurer** may be sued upon a cause of action arising in Iowa under a surplus lines insurance policy or contract placed by **Insurer** or upon evidence of insurance placed by **Insurer** and issued or delivered in Iowa by a surplus lines insurance producer. Any service of legal process against **Insurer** may be made in any such action by service upon the person designated in Section II of this endorsement.
- L. Kentucky.** **Insurer** shall be sued upon any cause of action arising in Kentucky under any contract issued by **Insurer** as a surplus lines contract pursuant to subtitle 10 of the Kentucky Insurance Code, in the Circuit Court of the county in which the cause of action arose. Any service of legal process against **Insurer** may be made in any such action by service upon the Secretary of State of the State of Kentucky as provided in Ky. Rev. Stat. Ann. § 304.3- 230(5). The Secretary of State shall mail process to the person designated in Section II of this endorsement.
- M. Louisiana.** **Insurer** shall be sued, upon any cause of action arising in Louisiana under any contract issued by **Insurer** as a surplus lines contract pursuant to Chapter 2, Part 1, Subpart O of the Louisiana Insurance Code, in the district court of the parish in which the cause of action arose. Service of legal process against **Insurer** may be made in any such action by service upon the secretary of state of Louisiana or some other person in his office whom he may designate during his absence. The secretary of state shall forthwith mail the documents of process served, or a true copy thereof, to the person designated in Section II of this Endorsement by registered or certified mail or by commercial courier as defined in La. Rev. Stat. Ann. tit. § 13:3204(D). **Insurer** shall have forty (40) days from the date of service upon the secretary of state within which to plead, answer, or otherwise defend the action. Upon service of process upon the secretary of state in accordance with this provision, the court shall be deemed to have jurisdiction in personam over **Insurer**.
- N. Maine.** **Insurer** shall be sued, upon any cause of action arising in Maine under any contract issued by **Insurer** as a surplus lines contract pursuant to Title 24-a, Chapter 19, Section 2019 of the Maine Insurance Code, in the Superior Court. Service of legal process against the **Insurer** may be made in any such action by service of 2 copies upon the person designated in Section II of this endorsement. Upon service of process in accordance with this provision, the court is deemed to have jurisdiction in personam of **Insurer**.
- O. Michigan.** **Insurer** hereby appoints the Michigan Insurance Commissioner as **Insurer's** resident agent for the purposes of service of process in Michigan.
- P. Mississippi.** **Insurer** may be sued upon any cause of action arising in Mississippi under any contract issued by it as authorized by the Mississippi Insurance Code, in a court of competent jurisdiction in any county in which the plaintiff may reside, or in which the cause of action arose. **Insurer** hereby authorizes service of citation or other legal process upon the Mississippi Commissioner of Insurance, who shall mail citation or other document or process required to the person identified in Section II of the endorsement for the purpose by registered mail or certified mail with return receipt requested.
- Q. Missouri.** **Insurer** may be sued upon any cause of action arising in Missouri under any surplus lines insurance contract made by **Insurer** or evidence of insurance issued or delivered by the surplus lines licensee pursuant to the procedure provided in Mo. Ann. Stat. §§375.256-375.266.



Insurer hereby appoints the director of the department of commerce and insurance of the state of Missouri, and his successor or successors in office upon whom may be served all lawful process in any action, suit, or proceeding instituted in any county in this state, by or on behalf of **Insured** or beneficiary arising out of any contract of insurance, who shall mail process to the person indicated in Section II of this endorsement.

- R. Nevada.** **Insurer** may be sued in a district court of Nevada under any insurance contract entered into by it under Title 57, Chapter 685.a of the Nevada Insurance Code. Service of legal process against **Insurer** may be made in any such action by service of two copies thereof upon the Commissioner or an authorized representative of the Commissioner and payment of the fee specified in NRS 680B.010. The Commissioner or an authorized representative of the Commissioner shall forthwith mail a copy of the process served to the person indicated in Section II of this endorsement for the purpose by prepaid registered or certified mail with return receipt requested. For the purposes of this provision, "process" includes only a summons, or the initial documents served in an action. The Commissioner or an authorized representative of the Commissioner is not required to serve any documents after the initial service of process. **Insurer** has 40 days from the date of service of the summons and complaint upon the Commissioner or an authorized representative of the Commissioner within which to plead, answer or defend any such suit. Upon service of process upon the Commissioner or an authorized representative of the Commissioner and its mailing in accordance with this provision, the court shall be deemed to have jurisdiction in personam of **Insurer**.
- S. New Mexico.** **Insurer** shall be sued, upon any cause of action arising in New Mexico under any surplus line insurance policy issued by it, in the district court of the county in which the cause of action arose. Service of legal process against **Insurer** may be made in any such action by service upon the superintendent as provided for in Section 99 of the New Mexico Insurance Code. The superintendent shall forward legal process served upon him to the person designated in Section II of this endorsement.
- T. New York.** **Insurer** designates the New York superintendent or his successors in office the **Insurer's** true and lawful attorney upon whom may be served all lawful process in any proceeding instituted by or on behalf of **Insured** or a beneficiary arising out of any contract effectuated in accordance with (i) subsection (b) or (c) of Section 2117 or (ii) Section 2105 of Chapter 28 of the New York Code of Insurance.
- U. North Carolina.** In any cause of action arising under this Policy, **Insurer** may be sued in North Carolina. For any action commenced in North Carolina, service of process on **Insurer** shall be made pursuant to the procedures in N.C.G.S.A 58-16-30. **Insurer** hereby designates the North Carolina Insurance Commissioner as the true and lawful person upon whom any lawful process may be served in any action, suit or proceeding instituted by or on behalf of the Named Insured.
- V. Oklahoma.** **Insurer** hereby designates the Oklahoma Insurance Commissioner as **Insurer's** true and lawful attorney, upon whom may be served all lawful process in any action, suit or proceeding arising out of any insurance **Insurer** writes delivered pursuant to Okla. Stat. Ann. tit. 36 §§1100 through 1120.
- W. Oregon.** **Insurer** may be sued upon any cause of action arising in Oregon under this Policy, or any evidence of such insurance issued or delivered by the surplus line broker, pursuant to the procedures set forth in ORS 735.490. Further, by assuming surplus line insurance, **Insurer** subjects itself to ORS 735.400 to 735.495.



- X. Pennsylvania.** In any cause of action arising under this policy or evidence of insurance issued or delivered by a surplus lines licensee, **Insurer** may be sued in the Commonwealth of Pennsylvania. For any action commenced in the Commonwealth of Pennsylvania, any service of process on **Insurer** shall be made pursuant to the procedures provided by 42 Pa.C.S. Ch. 53 Subch. B (relating to interstate and international procedure). **Insurer** is deemed thereby to have subjected ourselves to accepting service of process under 42 Pa.C.S. Ch. 53 Subch. B. **Insurer** hereby designates the Pennsylvania Insurance Commissioner as the true and lawful person upon whom any lawful process may be served in any action, suit or proceeding instituted by or on behalf of the Named Insured.
- Y. Puerto Rico.** In any action brought in Puerto Rico under an insurance contract issued as a surplus line pursuant to Title 26, Subtitle 1, Chapter 10, by **Insurer**, duplicate copies of legal process shall be served upon the Commissioner of Insurance of the Commonwealth of Puerto Rico. The Commissioner shall forthwith mail one copy of the process so served to the person designated in Section II of this Endorsement, by registered mail with return receipt requested. Upon service of process upon the Commissioner and such mailing of process, the court shall be deemed to have jurisdiction in personam over **Insurer**. **Insurer** shall have forty-five days after such date of mailing within which to plead, answer, or otherwise defend the action. At time of such service of process the plaintiff shall pay to the Commissioner three dollars, taxable as costs in the action.
- Z. South Dakota.** Any cause of action against **Insurer** arising in South Dakota on a surplus line contract shall be brought in the circuit court for the county in which the cause of action arose. Service of legal process against **Insurer** may be made in any such action by service upon the South Dakota director of the Division of Insurance as provided in S.D. Codified Laws § 58-6-39. The director shall forthwith mail a copy of the process served, to the person designated in Section II of this Endorsement, by prepaid registered or certified mail with return receipt requested. **Insurer** shall have thirty days from the date of service upon the director within which to plead, answer, or otherwise defend the action. Upon service of process upon the director in accordance with S.D. Codified Laws § 58-6-38, the court shall be deemed to have jurisdiction in personam over **Insurer**. By issuing a surplus lines policy, **Insurer** is deemed thereby to have authorized service of process against **Insurer** in the manner and to the effect as provided in S.D. Codified Laws § 58-6-37.
- AA. Tennessee.** **Insurer** may be sued upon any cause of action arising in Tennessee under any surplus lines insurance contract issued by **Insurer** or certificate, cover note or other confirmation of the insurance issued by the surplus lines agent, pursuant to the same procedure as is provided for unauthorized insurers in Title 56, Chapter 2, Part 6 and Tenn. Code Ann. § 56-7-105(b) of the of Tennessee Insurance Law. By assuming a surplus lines insurance risk pursuant to Title 56, Chapter 14, Part 1, **Insurer** is deemed to have subjected ourselves to the requirements of Tenn. Code Ann. § 56-14-112.
- BB. Texas.** **Insurer** may be sued on any cause of action arising in Texas under any surplus lines insurance contract issued by **Insurer** or under any certificate, cover note, or other confirmation of that insurance issued by the surplus lines agent, under the same procedure as is provided for unauthorized insurers in Sections 7.1404, 7.1410, and 7.1411 of Title 28 of the Texas Administrative Code (relating to Service of Process Procedure for Domestic Insurers Approved To Operate under the Insurance Code, Article 1.28, Foreign and Alien Insurance Companies, Risk Retention Groups, Purchasing Groups, Third Party Administrators, Unauthorized Persons or Insurers, Organizations Formed under the Insurance Code, Article 3.71, and Surplus Lines Insurers; Service of Process on Commissioner on Behalf of Unauthorized Persons or Insurers; and Service of Process, Notice, Order, or Pleading on Secretary of State on Behalf of



Unauthorized Persons and Insurers). By assuming a surplus lines risk under Chapter 981 of the Texas Insurance Code, **Insurer** is subject to Tex. Ins. Code Ann. § 804.106. Any act of engaging in the business of insurance by **Insurer**, an eligible surplus lines insurer, constitutes the irrevocable appointment by **Insurer** of the Texas Secretary of State as agent for service of process arising from our engagement of the business of insurance in Texas, other than service of process for an action or proceeding by the department or state, and signifies our agreement that service under Tex. Ins. Code Ann. § 804.106 has the same effect as personal service on **Insurer** or our successor in interest. The plaintiff shall supply the address provided in Section II of this Endorsement in any citation served under Tex. Ins. Code Ann. § 804.106. Service of process as set forth in this Endorsement is in addition to any other method provided by law for service of process on a surplus lines insurer, including the method provided by Chapter 804, Subchapter C of the Texas Insurance Code.

CC. Washington. For any cause of action arising in Washington under any contract issued as a surplus line contract under Chapter 48.15 of the Washington Insurance Code, **Insurer** must be sued in the superior court of the county in which the cause of action arose. By issuing a policy under Chapter 48.15, **Insurer** has authorized service of process against **Insurer** in the manner prescribed under Wash. Rev. Code § 48.02.200. **Insurer** hereby designates the Washington Commissioner of Insurance as the person upon whom such service of process may be made.

DD. West Virginia. **Insurer** may be sued upon any cause of action arising in West Virginia under any surplus lines insurance contract made by **Insurer** or evidence of insurance issued or delivered by the surplus lines licensee pursuant to the procedure provided in W. VA. Code § 33-12C-10.

EE. Wyoming. **Insurer** shall be sued, upon any cause of action arising in Wyoming under any contract issued by **Insurer** as a surplus lines contract pursuant to Title 26, Chapter 11 of the Wyoming Insurance Code, in the district court of the county in which the cause of action arises. Service of legal process against the **Insurer** may be served upon the commissioner as provided in Wyo Stat. Ann. § 26-3-122. The commissioner shall immediately mail a copy of the process to the person designated in Section II of this endorsement. Upon service of process in accordance with this provision, the court is deemed to have jurisdiction in personam of **Insurer**.

All other terms and conditions of this Policy remain unchanged.



CALIFORNIA CONSUMER PRIVACY ACT (CCPA) ENDORSEMENT

Solely for the purpose of coverage under this endorsement it is understood and agreed the following changes are made to the **Policy**:

- A. SECTION I.C. **LIABILITY EXPENSE** COVERAGE is amended by the addition of the following under **Liability Expense**:

(4) California Consumer Privacy Act (CCPA) Costs

- B. SECTION II. DEFINITIONS of the Policy is amended by the removal and replacement of Section II.AAA with the following:

AAA. Personally Identifiable Information means:

- (1) any information from which an individual may be uniquely and reliably identified or contacted, including but not limited to an individual's name, telephone number, email address, social insurance number, social security number, medical or healthcare data or other protected health information, biometric record, driver license number, state, provincial, or territorial identification number, account number, credit card number, debit card number, or access code or password that would permit access to that individual's financial account;
- (2) any other non-public personal information as defined in **Privacy and Security Regulations**;
- (3) all personal data as defined by the **CCPA** in connection with a **CCPA Proceeding**; and
- (4) with the exception of personal data as defined by the **CCPA**, does not include information lawfully available to the general public for any reason, including but not limited to information from federal, state, provincial, territorial, municipal, or other local government records.

- C. SECTION II. DEFINITIONS of the **Policy** is amended by the addition of the following definitions:

California Consumer Privacy Act (CCPA) Costs means amounts the **Insured** is legally obligated to pay in responding to a **CCPA Proceeding** that directly results from a **Privacy Incident** or a **Network Security Incident** that takes place during the **Policy Period** or Extended Reporting Period.

CCPA means the **California Consumer Privacy Act** (Section 1798.100 of California Civil Code) and any amendment thereto. CCPA shall also include any state, provincial, territorial, local, or federal regulations enacted in furtherance of or pursuant to implementation of the **California Consumer Privacy Act** and any modifications and amendment thereto.

CCPA Proceeding means a formal investigation of or an administrative adjudication proceeding against an Insured concerning **CCPA** by an administrative or regulatory agency, including an appeal thereof, commenced by the Insured's receipt of a subpoena, investigative demand, complaint, or similar document.

- D. Item 5. of this **Policy's** Declarations is amended by the addition of the following:

Coverage	Included (yes/no)	Each Claim Limit of Liability	Deductible / Waiting Period	Retroactive Date
CCPA Costs	Yes	\$3,000,000.00	\$50,000.00	Full Prior Acts

All other terms and conditions of this Policy remain unchanged.



GENERAL DATA PROTECTION REGULATION (GDPR) ENDORSEMENT

Solely for the purpose of coverage under this endorsement it is understood and agreed the following changes are made to the **Policy**:

- A. SECTION I.C. **LIABILITY EXPENSE** COVERAGE is amended by the addition of the following under **Liability Expense**:

(4) General Data Protection Regulation (GRPR) Costs

- B. SECTION II. DEFINITIONS of the **Policy** is amended by the removal and replacement of II.AAA with the following:

AAA. Personally Identifiable Information means:

- (1) any information from which an individual may be uniquely and reliably identified or contacted, including but not limited to an individual's name, telephone number, email address, social insurance number, social security number, medical or healthcare data or other protected health information, biometric record, driver license number, state, provincial, or territorial identification number, account number, credit card number, debit card number, or access code or password that would permit access to that individual's financial account;
- (2) any other non-public personal information as defined in **Privacy and Security Regulations**; and
- (3) all "personal data" as defined by the **GDPR**; and
- (4) with the exception of "personal data" as defined by the **GDPR**, does not include information lawfully available to the general public for any reason, including but not limited to information from federal, state, provincial, territorial, municipal, or other local government records.

- C. SECTION II. DEFINITIONS of the **Policy** is amended by the addition of the following definitions:

General Data Protection Regulation (GRPR) Costs means amounts the **Insured** is legally obligated to pay in responding to a **GDPR Proceeding** that directly results from a **Privacy Incident** or a **Network Security Incident** that takes place during the **Policy Period** or Extended Reporting Period.

- D. Item 5. of this **Policy's** Declarations is amended by the addition of the following:

Coverage	Included (yes/no)	Each Claim Limit of Liability	Deductible / Waiting Period	Retroactive Date
GDPR Costs	Yes	\$3,000,000.00	\$50,000.00	Full Prior Acts

All other terms and conditions of this Policy remain unchanged.



UTILITY FRAUD ATTACK

Solely for the purpose of coverage under this endorsement it is understood and agreed the following changes are made to the **Policy**:

- A. The following limit and deductible applies solely to the coverage provided in this endorsement:

Coverage	Each Claim Limit of Liability	Deductible / Waiting Period
Utility Fraud Attack	\$100,000.00	\$50,000.00

- B. SECTION II. DEFINITIONS, Items L. and M. of the **Policy** are deleted in their entirety and replaced with the following:

L. **Cyber Crime Incident** means:

- (1) **Telecommunications Hack**;
- (2) **Social Engineering Attack**;
- (3) **Reverse Social Engineering Attack**;
- (4) **Transfer of Funds Loss**; or
- (5) **Utility Fraud Attack**.

M. **Cyber Crime Loss** means:

- (1) charges incurred by the **Insured** from its telecommunications provider, directly resulting from a **Telecommunications Hack**; and
- (2) loss of funds directly resulting from any of the following:
 - (a) **Social Engineering Attack**;
 - (b) **Reverse Social Engineering Attack**;
 - (c) **Transfer of Funds Loss**; or
 - (d) **Utility Fraud Attack**.

Cyber Crime Loss does not include any amounts reimbursed or reversed by a financial institution.

- C. SECTION II. DEFINITIONS of the **Policy** is amended by the addition of the following definitions:

Utility Fraud Attack means additional amounts incurred by the manipulation or deception, by an unauthorized third party for its use of the **Insured Organization's** natural gas, oil, or internet (the "**Utilities**"); provided, however, that such additional costs for the **Utilities** are:

- (1) incurred pursuant to a written contract between the **Insured Organization** and the respective utility provider, which was executed before the **Utility Fraud Attack** first occurred;
- (2) billed to the **Insured Organization** by statements issued by the respective utility provider, which include usage or consumption information;
- (3) not charged to the **Insured Organization** at a flat fee that does not scale with the rate or use of the respective utility; and
- (4) incurred pursuant to statements issued by the respective utility provider and due for payment during the **Policy Period**.

All other terms and conditions of this Policy remain unchanged.



MEDIA LIABILITY ENDORSEMENT

Solely for the purpose of coverage under this endorsement it is understood and agreed the following changes are made to the **Policy**:

- A. SECTION II. DEFINITIONS of the **Policy** is amended by the removal and replacement of II.OO. with the following:

OO. Media Incident means any actual or alleged:

- (1) Defamation, slander, libel, or product disparagement alleged by a person or organization that claims to have been defamed, slandered or libeled, or by a person or organization that claims that his, her or its products have been disparaged;
- (2) Appropriation of name or likeness or publicity that places a person in a false light; or public disclosure of private facts;
- (3) Infringement of title, slogan, trademark, trade name, trade dress, service mark or service name;
- (4) Copyright infringement, plagiarism, or misappropriation of information or ideas; or
- (5) Improper deep linking or framing;

directly resulting from the **Insured Organization's** business in the course of gathering communicating, reproducing, publishing, disseminating, displaying, releasing, transmitting, or disclosing **Media Material**, including social media authorized by the **Insured** to the public.

Media Incident shall not include false advertising or labeling on the **Insured's** products or services.

- B. SECTION II. DEFINITIONS of the **Policy** is amended by the addition of the following definition:

Media Material means any data, text, sounds, numbers, images, graphics, videos, streaming content, webcasts, podcasts, or blogs but does not mean computer software or the actual goods, products, or services described, referenced, illustrated, or displayed in such **Media Material**.

All other terms and conditions of this Policy remain unchanged.



CRYPTOJACKING

Solely for the purpose of coverage under this endorsement it is understood and agreed the following changes are made to the **Policy**:

- A. Item 5. of this Policy's Declarations is amended by the addition of the following:

<i>Coverage</i>	<i>Included (yes/no)</i>	<i>Each Claim Limit of Liability</i>	<i>Deductible</i>	<i>Retroactive Date</i>
Cryptojacking Loss	Yes	\$100,000.00	\$50,000.00	N/A

- B. SECTION I. INSURING AGREEMENTS is amended by the addition of the following:

D. CRYPTOJACKING LOSS

The **Insurer** will indemnify the Insured Organization for any direct financial loss sustained resulting from a **Cryptojacking Loss** that the **Insured** first discovers during the **Policy Period**.

- C. SECTION II. DEFINITIONS of the Policy is amended by the addition of the following definition:

Cryptojacking Loss means the **Unauthorized Access** or **Unauthorized Use** of **Computer Systems** to mine for **Digital Currency** that directly results in additional costs incurred by the **Insured Organization** for electricity, natural gas, oil, or internet (the "**Utilities**"); provided, however, that such additional costs for the **Utilities** are:

- (1) incurred pursuant to a written contract between the **Insured Organization** and the respective utility provider, which was executed before the **Cryptojacking Loss** first occurred;
- (2) billed to the **Insured Organization** by statements issued by the respective utility provider, which include usage or consumption information;
- (3) not charged to the **Insured Organization** at a flat fee that does not scale with the rate or use of the respective utility; and
- (4) incurred pursuant to statements issued by the respective utility provider and due for payment during the **Policy Period**.

All other terms and conditions of this Policy remain unchanged.



BIPA EXCLUSION ENDORSEMENT

This endorsement modifies the insurance provided under the following:

COWBELL CYBER RISK INSURANCE POLICY – PRIME 250

SECTION III. EXCLUSIONS of the Policy is amended by adding the following:

Any actual or alleged violation of the Illinois Biometric Information Protection Act, or any amendments to the foregoing, or related federal, state or international law related to the collection of biometric information.

Any actual or alleged unlawful or unauthorized collection of biometric information.

All other terms and conditions of this Policy remain unchanged.



CYBER TERRORISM AMENDATORY ENDORSEMENT

Solely for the purpose of coverage under this endorsement it is understood and agreed the following changes are made to the Policy:

C. SECTION II. O. DEFINITIONS of the Policy is deleted and replaced by the following definition:

Cyberterrorism means the use of information technology to execute attacks or threats by any person or group, whether acting alone, or on behalf of, or in connection with, any individual, organization, or government, with the intention to:

- (1) cause harm;
- (2) intimidate any person or entity; or
- (3) cause destruction or harm to critical infrastructure or data, in furtherance of financial, social, ideological, religious, or political objectives;

which results in a threat or harm to **Your Network Security**.

Cyberterrorism does not include any activity which is part of or in support of any military action, war, or war-like operation.

All other terms and conditions of this Policy remain unchanged.



DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT THIS ENDORSEMENT DOES NOT GRANT COVERAGE OR CHANGE THE TERM AND CONDITIONS OF ANY COVERAGE UNDER THIS POLICY.

DISCLOSURE OF TERRORISM RISK INSURANCE ACT PREMIUM

The portion of your annual premium that is attributable to coverage for acts of terrorism is: \$ 604.68

In accordance with the federal Terrorism Risk Insurance Act, the **Insurer** is required to provide the **Insured** with a notice disclosing the portion of the **Insured's** premium, if any, attributable to coverage for terrorist acts certified under the Terrorism Risk Insurance Act. The portion of the **Insured's** premium attributable to such coverage is shown in the Policy Declarations.

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals a percentage as follows of that portion of the amount of such insured losses that exceeds the applicable insurer retention. The federal share of terrorism losses is 80%.

However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year, the Treasury will not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

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

All other terms and conditions of this Policy remain unchanged.



CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

Solely for the purpose of coverage under this endorsement it is understood and agreed the following changes are added to the **Policy**:

CERTIFIED ACTS OF TERRORISM

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

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

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for **First Party Loss**, **First Party Expense**, or **Liability Expense** that is otherwise excluded under this Policy.

All other terms and conditions of this Policy remain unchanged.



TRADE OR ECONOMIC SANCTIONS EXCLUSION ENDORSEMENT

Solely for the purpose of coverage under this endorsement it is understood and agreed the following changes are made to the **Policy**:

This insurance does not provide any coverage, and the **Insurer** shall not make payment of any claim or provide any benefit hereunder, to the extent that the provision of such coverage, payment of such claim or provision of such benefit would expose the **Insurer** to a violation of any applicable trade or economic sanctions, laws or regulations, including but not limited, to those administered and enforced by the United States Treasury Department's Office of Foreign Assets Control (OFAC).

All other terms and conditions of this Policy remain unchanged.



6800 Koll Center Parkway, Suite 250, Pleasanton CA 94566

SURPLUS LINES COMPLIANCE NOTICE

ISSUING CARRIER **Palomar Excess and Surplus Insurance Company**

We are pleased to enclose policy documents for this account.

Please be advised that by binding this risk with the above referenced Surplus Lines Insurance Company, you agree that as the Surplus Lines Broker responsible for the placement of this insurance policy, it is your obligation to comply with all States Surplus Lines Laws including completion of any declarations / affidavits that must be filed as well as payment of any and all Surplus Lines taxes that must be remitted to the State(s). We will look to you for indemnification if controlling Surplus Lines Laws are violated by you as the Surplus Lines broker responsible for the placement.

You further confirm that any applicable state requirement concerning a diligent search for coverage by admitted carriers has been fulfilled in accordance with state law.

Thank you for this placement and your regulatory compliance.

NAMED INSURED: **The Citadel, The Military College of South Carolina**

POLICY NUMBER: **PLM-CB-SHU6H3MK9-002**

STATE: **SC**

SURPLUS LINES BROKER: **Taylor Brinkerhoff**

FILING STATE SURPLUS LICENSE NUMBER: **6822111**

AGENCY NAME: **Risk Placement Services**

AGENCY MAILING ADDRESS: **2850 GOLF RD ,630-773-3800 ,ROLLING MEADOWS ,IL ,60008**



6800 Koll Center Parkway, Suite 250, Pleasanton CA 94566

SOUTH CAROLINA SURPLUS LINES NOTICE

This company has been approved by the director or his designee of the South Carolina Department of Insurance to write business in this State as an eligible surplus lines insurer, but it is not afforded guaranty fund protection.



Kidnap & Ransom Security Risk Management Renewal Application

Named Insured

1. Company name and address

The Citadel, The Military College of South Carolina - 4677 171 Moultrie Street Charleston, SC 29409
171 Moultrie Street Charleston SC 29409-0001

Insured Persons

2. Total number of employees

966

Total number of sub-contractors to be covered

0

Financial information

3. Total revenue of your business (from last annual report)

\$124,700,000.00

Territory

4. Have there been any changes in the number of individuals to be insured by country?
No ☒

If yes, please provide breakdown of expatriate/third country nationals and local nationals if available. (Continue on a separate sheet if necessary)

Country	Local Nationals	Expatriates/Third Country Nationals

Travel pattern

5. Have there been any changes in the approximate number of travel days to be spent within foreign countries over the next 12 months? No ☒
If yes, please provide breakdown. (Continue on a separate sheet if necessary)

Country	Approximate duration of stay	Number of individuals
Greece	3 weeks	1
Spain	4 weeks	2

Previous threats or losses

6. Have you or any Insured Person had any claims and/or experienced threats or incidents that would give rise to a claim under this insurance within the last 5 years? No ☒ Yes ☐
If yes, please give details. (Continue on a separate sheet if necessary)

Declaration

The undersigned duly authorized representative of the applicant declares to the best of his or her ability that the statements set forth herein are true.

NOTICE TO APPLICANTS: This application does not bind the Applicant or the Company, but it is agreed that this application will be the basis of the contract, should a policy be issued, and it will be attached to, and made part of the policy. The applicant undertakes to notify the Company immediately if the information supplied on this application changes between the date of this application and the time when the policy is issued.

FRAUD – GENERAL WARNING: Any person who knowingly submits an application for insurance or statement of claim containing any materially false, incomplete, or misleading information for the purpose of defrauding or attempting to defraud an insurance company or other person may be guilty of a crime and may be subject to criminal and civil penalties and denial of insurance benefits.

Named Insured's name

Mark Brandenburg

Position in company

General Counsel

Signature

Date

11/30/2022



Kidnap & Ransom
Security Risk Management Renewal Application

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APPENDIX

Foreign Travel

1. **Country** Israel
Average length of stay 2
of Employees Traveling 1
2. **Country** Panama
Average length of stay 1 week
of Employees Traveling 1
3. **Country** Estonia
Average length of stay 19 days
of Employees Traveling 1
4. **Country** Sweden
Average length of stay 2 weeks
of Employees Traveling 1
5. **Country** Poland
Average length of stay 1 week
of Employees Traveling 1
6. **Country** Kenya
Average length of stay 24 days
of Employees Traveling 3
7. **Country** Belgium / France / Netherlands
Average length of stay 10 days
of Employees Traveling 1
8. **Country** Greece
Average length of stay 2 weeks
of Employees Traveling 1
9. **Country** France
Average length of stay 4 weeks
of Employees Traveling 1
10. **Country** Belize
Average length of stay 2 weeks
of Employees Traveling 1
11. **Country** Wales
Average length of stay 4 months
of Employees Traveling 1
12. **Country** Italy
Average length of stay 1 week
of Employees Traveling 1



Certificate of Completion

Summary

Title	Hiscox Kidnap & Ransom Security Risk Management Renewal
File name	Hiscox Kidnap & Ransom Security Risk Management Renewal.pdf
Status	Completed
Document guid:	ZrbyZ8Shiedl8NBfc3R8ACqcba9ZKVr-

Document History

2022-11-30 09:46:45 AM	Signed by Mark Brandenburg (brandenburm1@citadel.edu)
EST	IP 155.225.80.132



TOKIOMARINE
HCC

Cyber & Professional Lines Group
16501 Ventura Blvd. Suite 200, Encino, CA 91436
main (818) 382-2030

NetGuard® Plus Cyber Liability Insurance Renewal Application

THIS IS AN APPLICATION FOR A CLAIMS MADE AND REPORTED POLICY. THIS APPLICATION IS NOT A BINDER.

This application for NetGuard® Plus Cyber Liability Insurance is intended to be used for the preliminary evaluation of a submission. When completed in its entirety, this application will enable the Underwriter to decide whether or not to authorize the binding of insurance. Please type or print clearly and answer all questions. If space is insufficient to answer any question fully, attach a separate sheet. Complete all required supplemental forms/applications.

1. GENERAL INFORMATION			
Legal business name of Applicant	The Citadel, The Military College of South Carolina - 4677 171 Moultrie Street Charleston, SC 29409		
Street address	171 Moultrie St.	Phone	(843) 953-5252
City, State, Zip	Charleston South Carolina 29409-0001	Fax	(843) 953-5287
Website	www.citadel.edu	Contact e-mail	mark.brandenburg@citadel.edu
Applicant is a(an): Other <input type="checkbox"/> Individual <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input checked="" type="checkbox"/> Other: <u>4-year College</u>			
2. REQUIRED ADDITIONAL INFORMATION			
a. Has the name of the Applicant changed, or has any merger or consolidation taken place, in the past 12 months? If "Yes", please provide details on a separate page.			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
b. Have there been any material changes in the Applicant's security controls in the past 12 months? If "Yes", please provide details on a separate page.			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
c. Has the Applicant acquired any subsidiaries, affiliated companies or entities in the past 12 months? If "Yes", please provide a list on a separate page with a description of the nature of operations of each such subsidiary, affiliated company or entity, its relationship to the Applicant and the percentage of ownership by the Applicant.			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
3. REVENUES			
	Last 12 months	Projected for the next 12 months	
Total gross revenues:	\$ \$124,700,000.00	\$ \$130,000,000.00	
4. RECORDS			
a. Do you collect, store, host, process, control, use or share any private or sensitive information* in either paper or electronic form? If "Yes" please provide the approximate number of unique records: Paper records: <u>175,000</u> Electronic records: <u>130,000</u> <small>*Private or sensitive information includes any information or data that could potentially be used to identify a person, including, but not limited to, social security numbers or other government identification numbers, payment card information, drivers' license numbers, financial account numbers, personal identification numbers (PINs), usernames, passwords, healthcare records and email addresses.</small>			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
b. Do you collect, store, host, process, control, use or share any biometric information or data, such as fingerprints, facial patterns, iris or retinal scans, blood, DNA or any other physical or behavioral characteristics that can be used to digitally identify a person? If "Yes", have you reviewed your policies relating to the collection, storage and destruction of such information or data with a qualified attorney and confirmed compliance with applicable federal, state, local and foreign laws?			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No
5. INFORMATION AND NETWORK SECURITY CONTROLS			
a. Do you use 2-factor authentication to secure remote access to your network?			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
b. Do you use 2-factor authentication to secure remote access to your email accounts?			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

[illegible]

<p>b. In the past 12 months, has any IT service provider that the Applicant relies on sustained an unscheduled network outage or interruption lasting longer than 4 hours? If "Yes", did the Applicant experience an interruption in business due to such outage or interruption?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>c. Has the Applicant notified Tokio Marine HCC of all incidents or losses occurring, or claims, suits or demands received, in the past 12 months? If "No", please forward complete details to Tokio Marine HCC immediately.</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> None to Report</p>
<p>NOTICE TO APPLICANT</p>	
<p>NOTICE TO NEW YORK APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE CONTAINING ANY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME.</p> <p>The Applicant hereby acknowledges that he/she/it is aware that the limit of liability shall be reduced, and may be completely exhausted, by claim expenses and, in such event, the Insurer shall not be liable for claim expenses or any judgment or settlement that exceed the limit of liability.</p> <p>I HEREBY DECLARE that, after inquiry, the above statements and particulars are true and I have not suppressed or misstated any material fact, and that I agree that this application shall be the basis of the contract with the Underwriters.</p>	
<p>CERTIFICATION AND SIGNATURE</p>	
<p>The Applicant has read the foregoing and understands that completion of this application does not bind the Underwriter or the Broker to provide coverage. It is agreed, however, that this application is complete and correct to the best of the Applicant's knowledge and belief, and that all particulars which may have a bearing upon acceptability as a NetGuard® Plus Cyber Liability Insurance risk have been revealed.</p> <p>It is understood that this application shall form the basis of the contract should the Underwriter approve coverage and should the Applicant be satisfied with the Underwriter's quotation. It is further agreed that, if in the time between submission of this application and the requested date for coverage to be effective, the Applicant becomes aware of any information which would change the answers furnished in response to any question of this application, such information shall be revealed immediately in writing to the Underwriter.</p> <p>This application shall be deemed attached to and form a part of the Policy should coverage be bound.</p> <p>Must be signed by an officer of the company.</p>	
<p>Print or Type Applicant's Name Mark C. Brandenburg</p>	<p>Title of Applicant GENERAL COUNSEL</p>
<p>Signature of Applicant</p>	<p>Date Signed by Applicant</p>

PART ONE - United Educators Insurance Application

Renewal Application for Policy Effective 01/23/2022

Insurance Application:

Application for: The Citadel, The Military College of South Carolina - 4677 171 Moultrie Street
Charleston, SC 29409

Requested Products:

Educators Legal Liability - ELL - Renewal

Full Legal Name and Address of the Submitting Brokerages:

Broker:

Application completion and submission instructions:

1. Please complete all portions of this application completely, truthfully and accurately. If you do not understand a question, please contact United Educators for clarification. United Educators will rely on the information you supply in this application to evaluate your institution's exposure to risk, and the policies and procedures you have in place to prevent or reduce those risks, and to respond to your request for a quotation. Review of this application does not bind United Educators to issue a policy. The signatory of the application confirms that he/she is an authorized representative of the institution and all persons or concerns applying for renewal of the expiring policy, and declares that all information provided is complete, truthful and accurate.
2. To complete your renewal application submissions, you must provide United Educators with
 - a. the educational institution's most recent audited financial statement, and
 - b. a signed copy of the application either a printed full version of the application or the printed signature page version produced below.
3. The most recent audited financial statement and a signed copy of the renewal application (either the full version of the application or the signature page) can be sent by your broker by uploading using the "attachments" button on the application or via fax or mail to this address:

United Educators Insurance
7700 Wisconsin Avenue
Suite 500
Bethesda, MD 20814
Fax: (800) 346-7877

NOTICE:

THIS POLICY IS ISSUED BY YOUR RISK RETENTION GROUP, YOUR RISK RETENTION GROUP MAY NOT BE SUBJECT TO ALL OF THE INSURANCE LAWS AND REGULATIONS OF YOUR STATE. STATE INSURANCE INSOLVENCY GUARANTEE FUNDS ARE NOT AVAILABLE FOR YOUR RISK RETENTION GROUP.

PART TWO

RENEWAL FOR POLICY YEAR 2023

Type of Organization: Other

4-year College

Common Section**Enterprise Risk Management and Risk Management Operations**

1.Does the educational institution have a formal process to identify, assess and monitor risks across the entire institution, including a risk mitigation plan?

Yes ☒ No ☐

a.If Yes, is the plan reviewed at the Board of Trustee level?

Yes ☒ No ☐

b.If No, are there plans to create and implement such formal process?

Yes ☐ No ☐

Comments: _____

Mergers and Acquisitions

2.Please list and describe any acquisitions or mergers with any educational institutions that have occurred within the last year or are planned within the next 12 months:

Name of Educational Institution _____

Description of operations and rationale behind this decision _____

Comments: _____

Affiliates and Subsidiaries

3. Please list and describe any newly created or acquired affiliates for which the educational institution requests coverage (affiliates that are not-for-profit entities under Internal Revenue Code and are controlled by the educational institution and whose financials are included in the educational institution's most recent audited financials are automatically covered, and there is no need to report these affiliates. Please see your policy for details.)

Name of Affiliate: _____

Indicate if:

☐ for-profit

☐ not-for-profit

Educational Institution's percentage of ownership or control: _____

Description of Affiliate's purpose/operation: _____

Year established/ acquired: _____

Annual budget: _____

Comments: _____

Management Liability

Institution Accreditation

1. Please provide:

a. Name of the institution's accrediting body: Southern Association of College and Schools Commission on Colleges

b. Date of the accrediting body's most recent review, month and year: 12/07/2014

c. Was the outcome of the most recent review "Accreditation Continued?" Yes ☒ No ☐

i. If No, please check the applicable outcome:

☐ Accreditation Continued - follow-up report requested

☐ Warning

☐ Probation

☐ Show Cause

☐ Withdrawal of accreditation

☐ Denial of accreditation

☐ Appeal

ii. If No, please attach report from accrediting body and educational institution's response.

☐ Check here if report is attached

d. Date of next review, month and year: 3/01/2024

Comments: _____

Closings

2. Will the educational institution or any of its campus locations, departments or divisions close within the next 12 months, or are any such closures under consideration?

Yes ____ No **X**

If Yes, please complete the below table for each location, department or division:

Name of the campus location, department or division: _____

Date of actual or planned closure: _____

Number of affected students and staff: _____

Reason for closure: _____

Comments: _____

Newly Created or Eliminated Academic Degree Programs

3. Have any academic degree programs that are accredited by independent accrediting bodies, i.e. Nursing (CCNE), Law (ABA), etc. been created or eliminated in the past 12 months; or are any such changes under consideration for the next 12 months?

Yes ____ No ☒

If Yes, please complete the table below for each created or eliminated academic degree program:

Name of academic degree program:

Actual or estimated date of change:

Number of students enrolled or affected:

Number of faculty and/or staff added or affected:

Indicate if

☒ Created

☐ Eliminated

If newly created academic degree program, indicate accreditation status:

If eliminated, describe the phase-out process for the academic degree program (i.e., close program to new enrollees and allow current students to transfer to another institution)

Comments:

Existing Academic Degree Programs

4. Is the educational institution in the process of seeking initial accreditation for any of its existing academic degree programs in a pending or non-approved status by the accrediting body?

Yes ____ No ☒

If Yes, for any academic degree programs pending or not approved, please complete the table below and attach a copy of the most recent report from the accrediting body and the educational institution's response:

Name of academic degree program:

Accrediting body:

Accreditation outcome: _____

Check here if most recent report from accrediting body is attached:

☐

Check here if educational institution's response is attached:

☐

Comments: _____

5. Within the last 12 months, do any existing accredited academic degree programs have any of the following accreditation statuses?

Yes ____ No **X**

- Accreditation continued with follow-up report requested
 - Appeal
 - Become provisionally accredited
 - Denial of accreditation
 - Probation in any form
 - Show cause or similar status
 - Voluntary or Involuntary withdrawal of accreditation
 - Warning or similar status
- _____

If Yes, for each academic degree program with any of the above statuses, please complete the table below and attach a copy of the report from the accrediting body and the educational institution's response:

Name of academic degree program affected: _____

Accrediting body: _____

Accreditation status/outcome: _____

Check here if report from accrediting body is attached:

☐

Check here if educational institution's response is attached:*

☐

*If the educational institution's response to the accrediting body is pending, please summarize the educational institution's planned response.

Comments:

Staff Changes / Reductions in Force

6. Have there been any reductions in workforce during the past 12 months, or are any such changes under consideration for the next 12 months?

Yes ____ No **X**

If Yes, please complete the following table:

Department, division, or affiliate affected:

Date of change:

Number of faculty affected:

Number of tenured faculty affected:

Number of staff or administrators affected:

Were internal or outside counsel consulted?

Comments:

Key Personnel

7. For the following positions please provide:

a. President (or equivalent)

1. Year appointed:

2018

2. Has resignation or departure been announced?

N

If Yes, please explain the educational institution's plan for replacement:

b. VP of Finance/Administration (or equivalent)

1. Year appointed:

2017

2. Has resignation or departure been announced?

Yes ____ No **X**

If Yes, please explain the educational institution's plan for replacement:

c. Chief Academic Officer (or equivalent)

1. Year appointed:

2019

2. Has resignation or departure been announced

Yes ____ No **X**

If Yes, please explain the educational institution's plan for replacement:

Comments:

The undersigned is an authorized representative of the above-named institution and all persons or concerns applying for coverage with this application. The undersigned declares that all information provided in this application is to the best of his/her knowledge complete, truthful and accurate.

Mark Brandenburg

Name

General Counsel

Title

The Citadel, The Military College of South Carolina - 4677
171 Moultrie Street Charleston, SC 29409

Name of Institution

11/28/2022

Date

Mark Brandenburg

Signature

The signing and submission of this application does not bind United Educators to issue, or the Institution to purchase, a policy. The undersigned hereby authorizes United Educators to make any inquiry in connection with this application. The information provided in this application is for underwriting purposes only and does not constitute notice to United Educators of a claim or potential claim under any policy.

Material Change:

If there is any material change in the answers to the questions in this application before the policy inception date, the Institution must immediately notify United Educators and any outstanding quotation may be modified or withdrawn.

APPENDIX

Newly Created or Eliminated Academic Degree Programs II

1. Indicate "created" or "eliminated" Created



Certificate of Completion

Summary

Title	United Educators Educators Legal Liability ELL Renewal
File name	United Educators Educators Legal Liability ELL Renewal.pdf
Status	Completed
Document guid:	GXD0G8VRKku3NRYLizf17zrv_OGDIFBZ

Document History

2022-11-28 10:39:10 AM	Signed by Mark Brandenburg (brandenburm1@citadel.edu)
EST	IP 155.225.80.132
