

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ELECTRONIC DATA LIABILITY – BROAD COVERAGE

**THIS ENDORSEMENT PROVIDES CLAIMS-MADE COVERAGE.
PLEASE READ THE ENTIRE ENDORSEMENT CAREFULLY.**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

Electronic Data Liability Annual Aggregate Limit Of Insurance: \$

Each Electronic Data Incident Limit: \$

Retroactive Date:

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

Section II – Liability is amended as follows:

A. The following is added to Paragraph **A.1. Business Liability:**

Coverage – Damage To Electronic Data

Insuring Agreement

- a.** We will pay those sums that the insured becomes legally obligated to pay as damages because of "loss of electronic data" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages to which this insurance does not apply. We may, at our discretion, investigate any "electronic data incident" and settle any claim or "suit" that may result. But:

- (1)** The amount we will pay for damages is limited as described in Paragraph **D. Liability And Medical Expenses Limits Of Insurance**; and

- (2)** Our right and duty to defend ends when we have used up the applicable Limit of Insurance in the payment of judgments or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments.

- b.** This insurance applies to "loss of electronic data" only if:

- (1)** The "loss of electronic data":

- (a)** Is caused by an "electronic data incident";
- (b)** Takes place in the "coverage territory"; and
- (c)** Did not occur before the Retroactive Date, if any, shown in the Schedule or after the end of the policy period; and

(2) A claim for damages because of the "loss of electronic data" is first made against any insured, in accordance with Paragraph **c.** below, during the policy period or an Extended Reporting Period we provide under Paragraph **F.** Extended Reporting Period.

c. A claim by a person or organization seeking damages will be deemed to have been made at the earlier of the following times:

(1) When notice of such claim is received and recorded by any insured or by us, whichever comes first; or

(2) When we make a settlement in accordance with Paragraph **a.** above.

All claims for damages because of "loss of electronic data" arising out of an "electronic data incident" shall be deemed to have been made at the time the first of those claims is made against any insured.

A claim received and recorded by the insured within 30 days after the end of the policy period will be considered to have been received within the policy period. However, this 30-day period does not apply to claims that are covered under any subsequent insurance you may purchase, or that would be covered but for the exhaustion of the amount of insurance applicable to such claims.

B. For the purposes of the coverage provided by this endorsement, Paragraph **B. Exclusions** is amended by the addition of the following:

This insurance does not apply to:

1. Expected Or Intended Loss

"Loss of electronic data" expected or intended from the standpoint of the insured.

2. Bodily Injury, Property Damage Or Personal And Advertising Injury

Damages that are "bodily injury", "property damage" or "personal and advertising injury".

3. Contractual Liability – Electronic Data

"Loss of electronic data" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

4. Computer Products Or Services Exclusion

"Loss of electronic data" arising out of a negligent act, error or omission, by or for you or anyone acting on your behalf in providing "computer products or services".

5. Damage To Your Data

"Loss of electronic data" that:

a. Is owned by you;

b. Was developed by or for you; or

c. Is "your work" or "your product".

6. Performance Of A Contract

"Loss of electronic data" arising out of a delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

7. Infringement Of Intellectual Property Rights

"Loss of electronic data" arising out of or resulting from the actual or alleged infringement of trademark, copyright, patent, trade secret or other intellectual property rights.

8. Access, Disclosure Or Unauthorized Use Of Electronic Data

Damages arising out of:

a. Any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or

b. Theft or unauthorized viewing, copying, use, corruption, manipulation or deletion of "electronic data" by any Named Insured, past or present "employee", temporary worker or volunteer worker.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in Paragraph **a.** or **b.** above.

9. Violation Of An Antitrust Law

Any claim for damages arising out of the violation of an antitrust law.

10. Criminal Or Fraudulent Acts

"Loss of electronic data" arising out of a criminal or fraudulent act committed by or at the direction of the insured.

- C. For the purposes of the coverage provided by this endorsement, Paragraph **B.1.q. Electronic Data Exclusion** does not apply.
- D. For the purposes of the coverage provided by this endorsement, Paragraph **C. Who Is An Insured** is replaced by the following:

C. Who Is An Insured

1. If you are designated in the Declarations as:
 - a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
 - b. A partnership or joint venture, you are an insured. Your members, your partners and their spouses are also insureds, but only with respect to the conduct of your business.
 - c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
 - d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
 - e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.
2. Each of the following is also an insured:
 - a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business.
 - b. Any person (other than your "employee" or "volunteer worker") or any organization while acting as your real estate manager.

- c. Any person or organization having proper temporary custody of your property if you die, but only until your legal representative has been appointed.
- d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this policy.

E. The following are added to Paragraph D. Liability And Medical Expenses Limits Of Insurance:

5. The Electronic Data Liability Annual Aggregate Limit shown in the Schedule of this endorsement is the most we will pay for the sum of all damages because of "loss of electronic data".
 6. Subject to Paragraph **E.5.**, the Each Electronic Data Incident Limit shown in the Schedule of this endorsement is the most we will pay for the sum of all damages because of the "loss of electronic data" arising out of any one "electronic data incident".
- F. For the purposes of the coverage provided by this endorsement, Paragraph **E.2.a. Duties In The Event Of Occurrence, Offense, Claim Or Suit** is replaced by the following:**
- a. You must see to it that we are notified as soon as practicable once you, or any insured listed under Paragraph **C.1. Who Is An Insured**, know or suspect that an "electronic data incident" has occurred, which may result in a claim. To the extent possible, notice should include:
 - (1) How, when and where the known or suspected "electronic data incident" took place;
 - (2) The name and address of any person or organization whose "electronic data" was lost or damaged; and
 - (3) The nature and location of any damage arising out of the known or suspected "electronic data incident".

Notice of a known or suspected "electronic data incident" is not notice of a claim.
- G. For the purposes of the coverage provided by this endorsement, the following Extended Reporting Period provisions are added:**
- Extended Reporting Period**
1. You will have the right to purchase an Extended Reporting Period, as described below, if:
 - a. This endorsement is cancelled or not renewed for any reason; or

b. We renew or replace this endorsement with insurance that:

- (1) Has a Retroactive Date later than the date shown in the Schedule of the endorsement; or
- (2) Does not apply to "loss of electronic data" on a claims-made basis.

2. An Extended Reporting Period of three years is available, but only by an endorsement and for an extra charge.
3. The Extended Reporting Period starts with the end of the policy period. It does not extend the policy period or change the scope of coverage provided. It applies only to claims to which the following applies:
 - a. The claim is first made during the Extended Reporting Period;
 - b. The "loss of electronic data" occurs before the end of the policy period; and
 - c. The "loss of electronic data" did not commence before the Retroactive Date, if any.
4. You must give us a written request for the Extended Reporting Period endorsement within 30 days after the end of the policy period or the effective date of cancellation, whichever comes first.
5. The Extended Reporting Period will not go into effect unless you pay the additional premium promptly when due and any premium or deductible you owe us for coverage provided under this policy. Once in effect, the Extended Reporting Period may not be cancelled.
6. We will determine the additional premium in accordance with our rules and rates. In doing so, we may take into account the following:
 - a. The exposures insured;
 - b. Previous types and amounts of insurance;
 - c. Limit of Insurance available under this policy for future payment of damages; and
 - d. Other related factors.

The additional premium will not exceed 200% of the annual premium for this endorsement.

7. When the Extended Reporting Period is in effect, we will provide an Extended Reporting Period Aggregate Limit of Insurance for any claim first made during the Extended Reporting Period.

The Extended Reporting Period Aggregate Limit of Insurance will be equal to the dollar amount shown in the Schedule of this endorsement under the Electronic Data Liability Annual Aggregate Limit Of Insurance.

Paragraph **E.5.** of this endorsement will be amended accordingly.

- H. For the purposes of the coverage provided by this endorsement, Paragraphs **F.4.** and **F.18. Liability And Medical Expenses Definitions** are replaced by the following:

4. "Coverage territory" means all parts of the world provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the United States of America (including its territories and possessions), Puerto Rico or Canada, or in a settlement we agree to.

18. "Suit" means a civil proceeding in which damages because of "loss of electronic data" to which this insurance applies are alleged. "Suit" includes:

- a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

- I. For the purposes of the coverage provided by this endorsement, the following are added to Paragraph **F. Liability And Medical Expenses Definitions**:

23. "Computer products or services" means:

- a. Manufacturing, developing, designing, creating, selling, handling, marketing, distributing, licensing, or disposing of computer or electronic goods, by you or on your behalf. Computer or electronic goods includes, but is not limited to:

- (1) Computer software or computer programming;
- (2) Electronic or computer equipment, components or peripherals;
- (3) Communications or broadcasting equipment; or
- (4) Industrial or robotic equipment; and any containers (other than vehicles), materials, parts or equipment furnished in connection with such computer or electronic goods, by you or on your behalf; or

- b. Computer-related services performed by you or on your behalf, including but not limited to:
 - (1) Installation, testing, service, maintenance, technical support, repair, integration, networking, consulting or analysis of or training for:
 - (a) Computer software or computer programming;
 - (b) Electronic or computer equipment, components or peripherals;
 - (c) Communications or broadcasting equipment; or
 - (d) Industrial or robotic equipment;
 - (2) Processing, storage, transmission or other handling of "electronic data" for others; or
 - (3) Provision of broadcasting or communication services for others, or consulting, evaluating or advising on such services, including but not limited to broadcasts or communications via television, cable, satellite, radio, Internet, wireless transmissions or cellular transmissions.
- 24. "Electronic data incident" means an accident, or a negligent act, error or omission, or a series of causally related accidents, negligent acts or errors or omissions, which results in "loss of electronic data".
- 25. "Electronic data" means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.
- 26. "Loss of electronic data" means damage to, loss of, loss of use of, corruption of, inability to access, or inability to properly manipulate, "electronic data".
- J. For the purposes of the coverage provided by this endorsement, Paragraph H.2. **Other Insurance** is replaced by the following:
 - 2. This Electronic Data Liability insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis:

That is effective prior to the beginning of the policy period shown in the Declarations and that applies to loss of "electronic data" on other than a claims-made basis if:

 - a. No Retroactive Date is shown in the Schedule of this endorsement; or
 - b. The other insurance has a policy period which continues after the Retroactive Date shown in the Schedule of this endorsement.