

R&Q Commercial Risk Services Limited

# **Cyber and Data Insurance Policy Wording**

**September 2019**  
25/09/19

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# Welcome to Your Cyber and Data Insurance Policy

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We are dedicated to providing You with a high quality service. This Policy is designed to provide You with cover through specialised coverage sections. You can identify the cover You have purchased by looking at the Policy Schedule. This Policy will form the contract between You as the insured and Argo, Your insurers, subject to the terms and conditions detailed below.

This document, the Schedule and any Endorsements attached form Your Policy and sets out the conditions of the insurance between You and Us. Please read the whole document carefully to ensure that it accurately reflects Your Circumstances and the level of cover You requested. Please contact Your Insurance broker immediately if You need to make changes.

Subject to payment of the Premium or as agreed in writing, We agree to provide indemnity including any Defence Costs in accordance with and subject to the terms and conditions of this Policy.

Your Premium has been based on information We received on Your behalf by way of a proposal or declaration or in other ways. We have relied on such information to decide whether to enter into this contract and on what terms.

Any words or expressions to which a specific meaning attaches appear in the Definitions section and shall bear that special meaning wherever they appear. The meanings of these words can be found in the Definitions section and:

- a. the singular includes the plural and vice versa;
- b. any headings are for ease of reference only; and
- c. a reference to any statutory provision includes any successor enactment.

Any dispute concerning the interpretation of the terms, conditions, limitations and/or exclusions contained within this Policy are understood and agreed by both You and Us to be subject to the laws of England and Wales. Each party agrees to submit to the jurisdiction of any court of competent jurisdiction within England and Wales and to comply with all requirements necessary to give such court jurisdiction. All matters arising hereunder shall be determined in accordance with the laws and practice of such court.

If You need to report a Claim or an incident that may result in a Claim or You have a general enquiry regarding Your insurance Policy please contact Your Insurance Broker in the first instance. You must notify Us in writing within the Period of Insurance as soon as reasonably practicable or at latest within 21 days of receipt of any Claim made against You, or awareness of a Circumstance which may be covered under this Policy.

Your Claims will be dealt with by

ArgoGlobal  
1 Fen Court  
London, EC3M 5BN  
United Kingdom

For full details of Claims Conditions please refer to Section 7 – Claims Conditions.

## About R&Q and Your Insurers

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**This Insurance Product has been arranged by R&Q Commercial Risk Services Limited on behalf of the under noted Insurers named herein:**

R&Q Commercial Risk Services Limited is registered in England and Wales No: 07313009 (FRN: 530938),  
Registered Office: 71 Fenchurch Street, London, EC3M 4BS.

R&Q Commercial Risk Services Limited is an Appointed Representative of R&Q MGA Limited which is authorised and regulated by the Financial Conduct Authority (FRN: 440543).

R&Q Commercial Risk Services Limited is wholly owned subsidiary of Randall & Quilter Investment Holdings Ltd. Randall & Quilter Investment Holdings Ltd. is a diverse insurance group, headquartered in Bermuda but with extensive operations in the UK, US, Canadian, Bermuda and Continental Europe Markets. The Group is a leading insurance service provider to the non-life insurance market. Its extensive service offering (ranging from full back office management to bespoke services) covers the live, run-off and captive market segments.

**This Policy is underwritten by:**

**Argo Global Limited for and on behalf on Syndicate 1200 at Lloyd's  
UMR B1921QT000540T**

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Argo Global Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Arch Insurance Company (Europe) Ltd is registered in England No. 3768610.  
Registered office: 1 Fen Court, London EC3M 5BN

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## Duty of Fair Presentation

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1. Before this Policy is entered into, You must make a fair presentation of the risk to Us, in accordance with Section 3 of the Insurance Act 2015. In summary, You must:
  - a) Disclose to Us every material Circumstance which You know or ought to know. Failing that, You must give Us sufficient information to put a prudent insurer on notice that it needs to make further enquiries in order to reveal material circumstances. A matter is material if it would influence the judgement of a prudent insurer as to whether to accept the risk, or the terms of the insurance (including Premium);
  - b) Make the disclosure in clause (1)(a) above in a reasonably clear and accessible way; and
  - c) Ensure that every material representation of fact is substantially correct, and that every material representation of expectation or belief is made in good faith.
2. For the purposes of clause (1)(a) above, You are expected to know the following:
  - a) If You are an individual, what is known to the individual and anybody who is responsible for arranging his or her insurance.
  - b) If You are not an individual, what is known to anybody who is part of the Insured's senior management; or anybody who is responsible for arranging the Insured's insurance.
  - c) Whether You are an individual or not, what should reasonably have been revealed by a reasonable search of information available to You. The information may be held within Your organisation, or by any third party (including but not limited to subsidiaries, affiliates, the broker, or any other person who will be covered under the insurance). If You are insuring subsidiaries, affiliates or other parties, We expect that You will have included them in its enquiries, and that You will inform Us if it has not done so. The reasonable search may be conducted by making enquiries or by any other means.
3. If, prior to entering into this Policy, You shall breach the duty of fair presentation, the remedies available to Us are set out below.
  - a) If Your breach of the duty of fair presentation is deliberate or reckless:
    - i) We may avoid the Policy, and refuse to pay all claims; and,
    - ii) We need not return any of the Premiums paid.
  - b) If Your breach of the duty of fair presentation is not deliberate or reckless, Our remedy shall depend upon what We would have done if You had complied with the duty of fair presentation:
    - i) If We would not have entered into the Policy at all, We may avoid the Policy and refuse all claims, but must return the Premiums paid.
    - ii) If We would have entered into the Policy, but on different terms (other than terms relating to the Premium), the Policy is to be treated as if it had been entered into on those different terms from the outset, if We so require.
    - iii) In addition, if We would have entered into the Policy, but would have charged a higher Premium, We may reduce proportionately the amount to be paid on a Claim (and, if applicable, the amount already paid on prior claims). In those circumstances, We shall pay only X% of what We would otherwise have been required to pay, where  $X = (\text{Premium actually charged} / \text{higher Premium}) \times 100$ .
4. If, prior to entering into a variation to this Policy, You shall breach the duty of fair presentation, the remedies available to Us are set out below.
  - a) If Your breach of the duty of fair presentation is deliberate or reckless:
    - i) We may by notice to You treat the Policy as having been terminated from the time when the variation was concluded; and,
    - ii) We need not return any of the Premiums paid.
  - b) If Your breach of the duty of fair presentation is not deliberate or reckless, Our remedy shall depend upon what We would have done if You had complied with the duty of fair presentation:
    - i) If We would not have agreed to the variation at all, We may treat the Policy as if the variation was never made, but must in that event return any extra Premium paid.
    - ii) If We would have agreed to the variation to the Policy, but on different terms (other than terms relating to the Premium), the variation is to be treated as if it had been entered into on those different terms, if We so require.
    - iii) If We would have increased the Premium by more than it did or at all, then We may reduce proportionately the amount to be paid on a Claim arising out of events after the variation. In those circumstances, We shall pay only X% of what We would otherwise have been required to pay, where  $X = (\text{Premium actually charged} / \text{higher Premium}) \times 100$ .
    - iv) If We would not have reduced the Premium as much as it did or at all, then We may reduce proportionately the amount to be paid on a claim arising out of events after the variation. In those circumstances, We shall pay only X% of what We would otherwise have been required to pay, where  $X = (\text{Premium actually charged} / \text{reduced total Premium}) \times 100$ .

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## Enquiries and Complaints Procedure

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We are dedicated to providing You with a high quality service. This Policy is designed to provide You with cover through specialised coverage sections. You can identify the cover You have purchased by looking at the Policy's Schedule. This Policy will form the contract between You as the insured and Us, Your insurers, subject to the terms and conditions detailed below.

The headings Used in this Policy are for ease of reference and identification purposes only. Any Endorsement or other variation which relates to this Policy is subject to the terms and conditions below.

### How to make a complaint

Our aim is to ensure that all aspects of Your insurance are dealt with promptly, efficiently and fairly. If You have any questions or concerns about Your Policy or the handling of a Claim You should, in the first instance contact Your broker. In the event that You remain dissatisfied and wish to make a complaint, You can do so at any time by referring the matter to; The Compliance Officer at Argo Global Limited, Exchequer Court, 33 St. Mary Axe, London EC3A 8AA, or the Complaints Team at Lloyd's. The address for the Complaints Team at Lloyd's is;

Complaints, Lloyd's, One Lime Street, London EC3M 7HA  
Tel; 020 7327 5693 Fax; 020 7327 5225  
Email: [complaints@lloyds.com](mailto:complaints@lloyds.com) Website: [www.lloyds.com/complaints](http://www.lloyds.com/complaints)

Details of Lloyd's complaints procedures are set out in a leaflet "Your Complaint – How We Can Help" available at [www.lloyds.com/complaints](http://www.lloyds.com/complaints) and are also available from the above address. If You remain dissatisfied after Lloyd's has considered Your complaint, You may have the right to refer Your complaint to the Financial Ombudsman Service (FOS).

The contact details for the FOS are: The Financial Ombudsman Service, Exchange Tower, London E14 9SR. Telephone 0800 023 4567 (calls to this number are free from "fixed lines" in the UK) or 0300 1239123 (calls to this number are charged at the same rate as 01 and 02 numbers on mobile phone tariffs in the UK).  
Email [complaint.info@financialombudsman.org.uk](mailto:complaint.info@financialombudsman.org.uk).

The FOS is an independent service in the UK for settling disputes between consumers and Businesses providing financial services. You can find out more information on the FOS at [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk);

Making a complaint does not affect Your right to take legal action.

### Financial Services Register

The Financial Services Register can be checked by visiting the Financial Conduct Authority Website on [www.fca.org.uk](http://www.fca.org.uk) or by calling 0800 111 6768

### Financial Services Compensation Scheme (FSCS)

R&Q MGA Limited, are all covered by the Financial Services Compensation Scheme (FSCS). This means that You may be entitled to compensation from the scheme in the unlikely event that they cannot meet their obligations. Further details can be obtained from FSCS, 10<sup>th</sup> Floor, Beaufort House, 15 St Botolph Street, London EC3A 7QU Tel: 0207 741 4100 Fax: 0207 741 4101 or [www.fscs.org.uk](http://www.fscs.org.uk)

### Important Note

Where R&Q Commercial Risk Services Limited deals with You through a retail agent in respect of any Claims referred by You to the R&Q Commercial Risk Services Limited R&Q Commercial Risk Services Limited acts as agent for the Insurer and not for You.

Please quote Your Policy number in all correspondence so that Your complaint may be dealt with speedily.

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## Enquiries and Complaints Procedure

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### **Cancelling this Policy**

You have a statutory right to cancel Your Policy within 14 days from the day of purchase of the contract, or the day on which You receive Your Policy or the renewal documentation, whichever is the later.

If You wish to cancel and the insurance cover has not yet commenced, You will be entitled to a full refund of the Premium paid. Alternatively, if You wish to cancel and the insurance cover has already commenced, You will be entitled to a refund of the Premium paid, less a proportional deduction for the time We have provided cover.

To cancel Your Policy please contact Your broker. If You do not exercise Your right to cancel Your Policy, it will continue in force and You will be required to pay the Premium.

We have the right (which We may choose not to exercise) to renew this Policy each year and continue to collect the Premiums. We may vary the terms of this Policy including the Premium on renewal.

If You decide that You do not want us renew this Policy You must tell Your broker at least 90 days prior to the next renewal date and We will not renew it.

### **How to notify a Claim or Loss**

You shall notify the nominee named in the Policy Schedule as soon as practicable within the Period of Insurance or at the latest within 21 days of receipt of any Claim, Loss, breach, Privacy Investigation, Illegal Threat or interruption covered under sections 2 & 3 of this Policy.

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## Important information

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### How We use personal information

All personal information (including sensitive Personal Data such as health details or criminal convictions) provided in connection with this Policy will be processed in accordance with the *Data Protection Act 1998*. You consent to all personal information being used for these purposes and being disclosed to the parties set out below;

Where personal information is provided about another person, You are required to inform that person of Our identity, and why their personal information will be processed and disclosed. You are also required to obtain their written consent to the processing of their personal information in this way and provide us with such consent if We request. Personal information is used:

- i. to administer the Policy, including underwriting, renewal information, validation of claims history and claims handling;
- ii. for research, analysis, statistic creation, and customer profiling;
- iii. for fraud prevention and debt recovery.

Personal information may be disclosed to:

- i. other members of Our group;
- ii. other insurance entities interested in the risk written under this Policy;
- iii. agents and service providers appointed by us to carry out activities in connection with the Policy;
- iv. credit reference and fraud databases;
- v. law enforcement and other statutory bodies;
- vi. potential purchasers of the whole or part of Our business.

If false or inaccurate information is provided and fraud is suspected this fact will be recorded and the information will be available to other organisations that have access to the fraud databases.

Personal information may be transferred to third parties in countries outside the European Economic Area which may not have the same standards of protection for personal information as the United Kingdom. We will ensure that such transfers comply with the data protection law and that personal information is kept securely and protected from unauthorised access.

We maintain protections and procedures in the storage and disclosure of personal information to keep it secure and prevent unauthorised access to or loss of such information.

We may monitor and record all communications with You for compliance and training purposes.

Should You wish to see the information held, or have any queries in relation to the way such information is used or discover any inaccuracies, You should write to the Compliance Officer at Argo International, 1 Fen Court, London EC3M 5BN

### Payment of Premium

You undertake that the Premium will be paid in full to us within 30 days of inception of this Policy (or, in respect of instalment Premiums, when due).

If the Premium due under this Policy has not been paid to us by the 30th day from the inception of this Policy (and, in respect of instalment Premiums, by the date they are due) We shall have the right to cancel this Policy by notifying You via Your broker in writing. In the event of cancellation, Premium is due to us on a pro rata basis for the period that We are on risk but the full Policy Premium shall be payable to us if there is a loss or a notification of a Claim or Circumstance prior to the date of termination which later gives rise to a valid Claim under this Policy.

We will give You not less than 14 days prior notice of cancellation via Your broker. If Premium due is paid in full to us before the notice period expires, notice of cancellation shall automatically be revoked. If not, the Policy shall automatically terminate at the end of the notice period.

If any provision of this clause is found by any court or administrative body of competent jurisdiction to be invalid or unenforceable, such invalidity or unenforceability will not affect the other provisions of this clause which will remain in full force and effect.



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## Important information

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### **Governing Law and Disputes Clause**

Any dispute between You and us arising out of or in connection with this Policy shall be referred to arbitration before a sole arbitrator (to be mutually agreed upon by You and Us or failing agreement to be appointed by the Chairman for the time being of the Bar Council) whose decision shall be final and binding on all parties.

Furthermore, in the event of any dispute between any insurer concerning this Policy such dispute shall be referred to arbitration before a sole arbitrator (to be mutually agreed upon or failing agreement to be appointed by the Chairman for the time being of the Bar Council) whose decision shall be binding on all parties.

As an alternative to the above paragraphs, disputes arising from or in connection with this Policy may be referred to a recognised mediation service if You and We agree in writing.

Disputes arising from or in connection with this Policy shall be subject to the jurisdiction of the Courts of England and Wales.

### **Interpretation**

In this Policy;

- a. reference to any Act, statute or statutory provision shall include a reference to that provision as amended, re-enacted or replaced from time to time whether before or after the date of the inception of this Policy;
- b. if any term, condition, exclusion or Endorsement or part thereof is found to be invalid or unenforceable the remainder shall be in full force and effect;
- c. headings herein are for reference only and shall not be considered when determining the meaning of this Policy.

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## Definitions

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These Definitions apply to all Sections of the Policy unless stated otherwise.

### **Breach**

Means the unauthorised acquisition, access, use or disclosure of, or the loss or theft of Personal Data, which compromises the security or privacy of that information such that it poses a significant risk of financial harm to the Data Subject; or any unauthorised acquisition, access, use or disclosure of Personal Data which triggers Your obligations under any statute, law or regulation to make any notification of such unauthorised acquisition, access, use or disclosure.

### **Breach Forensic Costs**

Means following a possible Breach, the costs You incur for computer forensic analysis conducted by outside forensic experts to confirm the Breach and identify the affected Data Subjects, as well as outside legal fees necessary for the preservation of the lawyer-client privilege of forensic reports and findings.

### **Business**

Means the Business as specified in the Policy Schedule and/or declared in the Proposal to Us.

### **Circumstance**

Means something that may result in a Claim against You.

### **Claim**

Means any written or oral demand for monetary damages or other relief including non-pecuniary relief or any civil, arbitration or adjudication proceedings including any counterclaim or appeal.

### **Cloud Provider**

Any entity providing hardware or software services to You over the internet including the provision of software as a service, infrastructure as a service or platform as a service.

### **Computer Systems**

Any computer network, hardware, software, information technology and communications system, including any email, intranet, extranet or website.

### **Credit Monitoring Costs**

Following a Breach, the costs You incur to provide one year of credit monitoring services or other credit protection services to each affected Data Subject. Such services must be redeemed by the Data Subject within 12 months of the Data Subject first being offered such services.

### **Data Subject**

Any natural person who is the subject of Personal Data.

### **Defence Costs and Expenses**

means any fees, expenses, costs and disbursements incurred in investigating, adjusting, settling or defending a Claim that may be covered by this Policy. Your internal or overhead expenses or the cost of Your time is not included.

### **Employee**

means any person employed by You under a contract of service or apprenticeship during or prior to the commencement of the Period of Insurance.

### **Endorsement**

A change to the terms of the Policy.

### **Excess**

The amount specified in the Policy Schedule.

### **Hacking Attack**

means any malicious specific or unauthorised electronic act including but not limited to denial of service phishing spear phishing Trojans botnets worms brute-force port scanning spoofing ransomware cracking or phreaking that has been instigated by any third party or any Employee or Persons Responsible to You.

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## Definitions

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### Illegal Threat

Any threat from a third-party to:

- a. damage, destroy or corrupt Your Computer System, Programmes or data You hold electronically, or any Programmes or data for which You are responsible, including by specifically introducing a Virus, or
- b. disseminate, divulge or use any electronically held commercial information which:
  - i. You are responsible for;
  - ii. is not in the public domain; and
  - iii. will cause commercial harm if made public;following any unauthorised external electronic access by that third-party.

### Income

The net profit loss You sustain during the Period of Restoration as a direct result of a covered cause of Loss. Income does not include:

- a. Any Loss arising out of a physical cause or natural peril, including but not limited to, fire, wind, water, flood, subsidence, or earthquake;
- b. Any Loss or expense arising out of updating Your Computer Systems to a level beyond that which existed before the covered cause of loss.
- c. Contractual penalties or consequential damages;
- d. Any liability to third parties for whatever reason, including but not limited to, legal costs and expenses of any type;
- e. Fines or penalties imposed by law;
- f. Costs or expenses incurred to identify, patch, or remediate software program errors or Your Computer System vulnerabilities;
- g. Loss of goodwill or reputational harm;

Costs to upgrade, redesign, reconfigure, or maintain Your Computer System to a level of functionality beyond that which existed prior to the covered cause of Loss.

### Increased Costs of Working

The reasonable and necessary costs and expenses incurred by You for the sole purpose of minimising the reduction in Income from Your Business during the indemnity period, but not exceeding the reduction in Income saved.

### Investigation

means a civil, criminal, administrative or regulatory examination, investigation or other proceeding conducted by any official body or institution empowered under statute to investigate Your affairs. Investigation does not mean routine regulatory supervision, inspection or compliance reviews. Proceedings includes an appeal against the outcome of any initial proceedings

### Investigation Costs

means reasonable fees, costs and expenses (except remuneration of any Employee or Persons Responsible to You) incurred with Our consent (which shall not be unreasonably withheld) in connection with preparing for and attending an Investigation.

### Limit of Indemnity

Our maximum total liability as specified in the Policy Schedule or as may be specifically endorsed to this Policy to cover You within the terms and conditions of this Policy.

### Losses

Any financial harm caused to Your Business.

### Media Liability

1. defamation, libel, slander, product disparagement, trade libel, infliction of emotional distress, outrage, outrageous conduct, or other tort related to disparagement or harm to the reputation or character of any person or organisation;
2. misappropriation of any name or likeness for commercial advantage, or trade secret;
3. plagiarism, piracy or misappropriation of ideas under implied contract;
4. infringement of copyright;
5. infringement of trade dress, domain name, title or slogan, or the dilution or infringement of trademark or service mark;

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## Definitions

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6. negligence concerning the content of any media communication, including harm caused through any reliance of failure to rely on such content. Media communication means the display, broadcast, dissemination, distribution or release of media material to the public by You

### **PCI Charges**

Charges, fines, penalties, levies, costs, expenses, assessments, contractual damages or imposition of liabilities of any nature arising as a result of Your failure to comply with PCI Data Security Standards due to a Breach, including any sums in relation to card reissuance or fraudulent transactions.

### **Period of Insurance**

The time for which this Policy is in force as stated in the Policy Schedule.

### **Personal Data**

Any non-public individually identifiable information about a Data Subject, including but not limited to such information protected by the Data Protection Act 1998 or any similar or successor legislation.

### **Persons Responsible to You**

A locum, consultant, sub-consultant or agent or self-employed person appointed by You to perform services on Your behalf so as to enable You to perform Your Business.

### **Policy**

This Policy wording, the Policy Schedule and any Endorsements.

### **Policy Schedule**

means the document attaching to or incorporated into this Policy wording and headed Policy Schedule and bearing the Policy number applicable to this insurance.

### **Pollution**

Any substance, solid, liquid, gaseous or thermal irritant or contaminant including but not limited to smoke, vapours, soot, fumes, acids, alkalis, chemicals and waste materials. Waste materials include, but are not limited to, recycled, reconditioned or reclaimed materials.

### **Premium**

The Premium specified in the Policy Schedule.

### **Privacy Forensic Costs**

Following a Claim under Privacy Investigation Claim, clause 12.1, the reasonable and necessary costs incurred by You with Our prior written consent for forensic services conducted by outside forensic experts to defend a Claim.

### **Privacy Investigation Costs**

Any official examination, official enquiry or official Investigation brought against You based on the same allegations as a Claim under Privacy Investigation Claim, clause 12.1 a. i, ii and iv, conducted by any regulator, government department or other body legally empowered.

### **Programmes**

A collection of instructions that performs a specific task when executed by Your Computer Systems.

### **Proposal**

means the written proposal made by You to us together with any other related particulars and statements that have been supplied to us and which have been taken into consideration by us when deciding whether to provide this Insurance and upon what terms.

### **Regulatory Award**

Following a privacy Investigation, any civil or regulatory sanctions, fines, penalties, disgorgement of profits, treble damages or multiple damages, including but not limited to those imposed by any national, federal, state or local governmental body or any licensing organisation, if insurable in the jurisdiction where such award was first ordered, but not including PCI Charges.

### **Retroactive Date**

means the date specified against the retroactive date in the Policy Schedule.

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## Definitions

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### **Subsidiary**

An entity that has been identified in Your proposal for this Policy and of which You own more than 50% of the book value of the assets or of the outstanding voting rights as of the first day of the Period of Insurance.

### **Schedule**

The Schedule to this Policy.

### **Territorial Limits**

The Territorial Limits stated in the Policy Schedule.

### **Terrorism**

For the purpose of this Policy, Terrorism means an act, including but not limited to the Use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) committed for political, religious, ideological or similar purposes including the intention to influence any government and/or Business and/or to put the public, or any section of the public, in fear.

### **Time Excess**

The period shown in the Schedule as the time excess, being the period immediately following an interruption during which no cover is provided under Cyber business interruption, Cover clause 1.2.

### **Virus**

means a piece of unauthorised executable code which propagates itself through a Computer System.

### **We/Us/Our**

Argo Global Limited for and on behalf on Syndicate 1200 at Lloyd's

### **You/Your**

- a. The named insured on the Policy Schedule;
- b. any person who was, is or during the Period of Insurance becomes Your partner, director, trustee, in-house counsel or senior manager in actual control of Your operations;
- c. any Subsidiary

### Cover only applies if stated in the schedule

## Insuring Clause

We shall cover You for Claims and Losses up to the Limit of Indemnity shown in the Policy Schedule including claimants' costs and expenses, first made against or sustained by You in the course of Your Business within the Territorial Limits during the Period of Insurance and notified to Us in writing, for;

### Section 1 - Your Losses

#### 1.1 Breach of Personal Data

Your Loss arising after the Retroactive Date where You discover or suspect a Breach has occurred. We shall cover;

- a. Breach Forensic Costs;
- b. Legal fees incurred by You to manage the response to the Breach;
- c. Costs You incur to notify each affected Data Subject of the Breach;
- d. Costs You incur in notifying any regulatory body, including the Information Commissioner's Officer of the Breach where You are required to do so by law or regulation;
- e. Costs You incur to use a third party call centre to answer enquires from affected Data Subjects, following notification of the Breach to such Data Subjects; and
- f. Credit Monitoring Costs;

provided that they are incurred with Our prior written agreement. We will not cover You for any Loss which arises as a result of any Breach caused by a supplier of Yours.

#### 1.2 Business interruption

Your Loss of Income during the Period of Restoration for any Increased Costs of Working, resulting solely and directly from an interruption to Your Business which commenced during the Period of Insurance and lasting longer than the Time Excess, due to;

- a. the activities of a third-party who specifically targets You alone by maliciously blocking electronically the access to Your Computer System, Programmes or data You hold electronically; or
- b. a Hacker who specifically targets You alone.

#### 1.3 Hacker damage

Your Loss after the Retroactive Date, caused by a Hacker:

- a. damaging, destroying, altering, corrupting, or misusing Your Computer System, Programmes or data You hold electronically, or any Programmes or data for which You are responsible; or
- b. copying or stealing any Programme or data You hold electronically or for which You are responsible;

We will pay all the reasonable and necessary expenses incurred with Our prior written consent in replacing or repairing Your Computer System, Programmes or data You hold electronically to the same standard and with the same contents before it was damaged, destroyed, altered, corrupted, copied, stolen or misused.

#### 1.4 Cyber extortion

The cost of a ransom demand if You receive an Illegal Threat from the third-party or, if the demand is for goods or services, their market value at the time of the surrender, provided that You can demonstrate to Us that:

- a. the ransom was paid, or the goods or services were surrendered, under duress;
- b. before agreeing to the payment of the ransom or the surrender of goods or services, You made all reasonable efforts to determine that the Illegal Threat was genuine and not a hoax; and
- c. an individual within the definition of You agreed to the payment of the ransom or the surrender of the goods or services.

We will also pay:

- a. the fees of Our appointed consultant, incurred by You with Our prior written consent, for advising You on the handling and negotiation of the ransom demand; and
- b. the amount of any stolen ransom, where such theft occurs at or in transit to the agreed location for payment of the ransom.

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## Cover

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### 1.5 Cyber Crime – Electronic Social Engineering

#### Item A: Computer Crime

Your Loss after the retroactive date as a direct result of any third party committing:

- a) any unauthorized electronic funds transfer; or
- b) theft of money or other financial assets from Your bank account or corporate credit cards by electronic means; or
- c) theft of any of your digital assets; or
- d) any fraudulent manipulation of electronic documentation.

#### Item B: Phishing Scams

Your Loss after the retroactive date in the event of fraudulent electronic communications or websites designed to impersonate You or any of Your products first discovered and notified to Us during the period of the Policy, for:

- a) the cost of creating and issuing a specific press release or establishing a specific website to advise Your customers and prospective customers of the fraudulent communications; and
- b) the cost of reimbursing Your existing customers for their financial Losses arising directly from the fraudulent communications; and
- c) Your reduction in profit as a direct result of the fraudulent communications

## **Section 2 - Claims made against You**

### **2.1. Privacy infringement Claim**

If, after the Retroactive Date specified in the Schedule:

- a. any party brings a Claim against You for Your actual or alleged:
  - i. Breach, violation or infringement of any right to privacy, consumer data protection law, or other legal protection for Personal Data;
  - ii. breach of duty to maintain the security or confidentiality of Personal Data;
  - iii. breach of any duty of confidence, including in respect of any commercial information; or
  - iv. breach of any contractual duty to maintain the security or confidentiality of Personal Data; or
- b. You are the subject of a Privacy Investigation;

We will pay:

- a. the amount agreed by You and us through good faith negotiation, mediation or some other form of alternative dispute resolution to settle a Claim or the amount to satisfy a judgment or arbitration award against You;
- b. any Regulatory Award; and
- c. Privacy Forensic Costs, Privacy Investigation Costs and Defence Costs.

## **Section 3 - Defence Costs and Expenses**

- 3.1** Defence Costs and Expenses, Privacy Forensic Costs, Privacy Investigation Costs and Credit Monitoring Costs which are included within the Limit of Indemnity.



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## Section 4 – Our Liability

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### 4.1 Our total liability

Our total liability under this Policy shall not exceed the Limit of Indemnity stated in the Policy Schedule for;

- b. Any one Claim, Loss, Breach, Privacy Investigation, Illegal Threat, and interruption or;
- c. All Claims, Losses, Breaches, Privacy Investigations, Illegal Threats, and interruptions arising out of or in connection with the same originating cause or source or
- d. All Losses for which indemnity is available, including all Defence Costs and Expenses, Privacy Forensic Costs, Privacy Investigation Costs and Credit Monitoring Costs arising out of or in connection with the same originating cause or source.

### 4.2 Cyber business interruption

Following a covered Cyber business interruption under Cover clause 1.2, We will pay;

- a. The difference between Your actual Income during the Period of Indemnity and the Income it is estimated You would have earned during that period or,
- b. If this is Your first trading year, the difference between Your Income during the Period of Indemnity and during the period immediately prior to the interruption, less any savings resulting from the reduced costs and expenses You pay out of Your Income during the Period of Indemnity.
- c. We will also pay for Increased Costs of Working. You must bear the Time Excess in respect of each covered interruption.

### 4.3 Policy Excess

The Policy Excess stated in the Policy Schedule applies in respect of;

- a. Each and every Claim, Loss, Breach, Privacy Investigation, Illegal Threat, and interruption or;
- b. All Claims, Losses, Breaches, Privacy Investigations, Illegal Threats, or interruptions arising out of or in connection with the same originating cause or source, or
- c. All Losses for which indemnity is available, including all Defence Costs and Expenses, Privacy Forensic Costs, Privacy Investigation Costs and Credit Monitoring Costs arising out of or in connection with the same originating cause or source;

falling to be dealt with under the insuring clause. Our Limit of Indemnity is over and above the Policy Excess.

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## Section 5 – Exclusions

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We will not cover You for any liability directly or indirectly due to;

### 5.1 Assumed duty or obligation

any duty, obligation or liability incurred, entered into or assumed by You which is not incurred, entered into or assumed in the normal conduct of Your Business.

### 5.2. Contractual terms and warranties

- a. any express agreement, warranty, indemnity, waiver or guarantee;
- b. any warranty or agreement providing a greater liability or a longer period of liability than that given under the original contract and to which such warranty or agreement is supplemental.

### 5.3. Credit Monitoring Costs

Credit Monitoring Costs unless:

- a. arising from a Breach of a Data Subject's National Insurance number, driver's licence number or other government issued identification number that can be used, in combination with other information, to open a new financial account; or
- b. You are required by any law or regulation to provide credit monitoring or credit protection services.

### 5.4. Death and bodily injury

death, bodily injury, psychological injury, emotional distress or anguish, shock, sickness, disease or death sustained by any person, unless such damage arises solely because of defamation or breach of Privacy covered under clause 2.1 Privacy infringement Claim.

### 5.5. Defamatory statements

any statement You knew, or ought reasonably to have known, was defamatory at the time of publication.

### 5.6. Directors and officers

any breach by You of a personal duty owed solely in the capacity of a member, director, secretary or officer of a body corporate.

### 5.7. Dishonesty

any fraudulent, dishonest, malicious or criminal conduct intended to cause harm to another person or business, or any knowing or wilful violation of a law, whether committed by You or committed by another whose conduct or violation of the law You have ratified or actively condoned or any act You knew, or reasonably ought to have known at the time You performed it, would give rise to a Claim, Loss, breach, privacy investigation, Illegal Threat or interruption to Your Business.

### 5.8. Fines and penalties

taxes, fines or penalties, punitive, aggravated, multiple, exemplary or other non-compensatory damages.

### 5.9. Hack by an individual

any individual Hacker that falls within the definition of You or Persons Responsible to You.

### 5.10. Insolvency

Your insolvency or the insolvency of Your suppliers or sub-contractors.

### 5.11. Investment and financial

- a. Depreciation or loss of investments when the depreciation or loss is as a result of any fluctuations in any financial, stock or commodity markets when such fluctuation is outside the influence or control of You.
- b. Any actual or alleged dealings of any nature by which it is sought to affect the price of, or market in, any shares or debentures of any company or commodity or currency, or of any negotiable instrument, other than dealings carried out in accordance with the laws, rules and regulations applicable to such dealings.
- c. Any regulated activities as defined in the *Financial Services and Markets Act 2000*, as amended from time to time.

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## Section 5 – Exclusions

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### 5.12. Intellectual property, patent or trade secrets

theft or infringement, misappropriation or disclosure of any intellectual property, patent or trade secret.

### 5.13. Jurisdiction

any Claim brought (or the enforcement of any judgment or award entered against You) in the courts of the United States of America or Canada or their dominions or protectorates or territories in which it is contended that the laws of the United States of America or Canada should apply.

### 5.14. Land, Buildings and transport

from the ownership, possession or use by You of land, buildings, property (mobile or immobile), aircraft, watercraft, vessels or by vehicles, whether mechanically propelled or otherwise.

### 5.15. Liability to Employees

any employment dispute directly or indirectly based upon, attributable to or in consequence of bodily injury, mental injury, sickness, disease or death or any breach of any obligations owed by You as an employer for discrimination, harassment, unfair treatment or unfair dismissal or failure to promote any Employee.

### 5.16. Media liability

Media Liability made by any person or entity, including but not limited to Employees or Persons Responsible to You.

### 5.17. Nuclear

- a. Loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting from or arising from or any consequential loss, or
- b. Any legal liability of whatever nature;

directly or indirectly caused by or contributed by or arising from;

- i. Ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel or
- ii. The radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

### 5.18. Payment Card Industry (PCI) charges

any liability for charges, fines, penalties, levies, costs, expenses, assessments, contractual damages or imposition of liabilities of any nature arising as a result of Your failure to comply with PCI Data Security Standards due to a breach, including any sums in relation to card reissuance or fraudulent transactions.

### 5.19. Professional duties

any liability arising from a breach of a professional duty made by any individual or entity with whom You have provided professional advice or professional services.

### 5.20. Pollution

actual, alleged or threatened Pollution, seepage, contamination, discharge, dispersal, release or escape of any solid, liquid, gaseous, or thermal irritant or contaminant including, but not limited to, smoke, vapours, soot, dust, fibres, bacteria, fumes, acids, alkalis, chemicals and waste or any actual or alleged advice given or services performed in relation to any irritant or contaminant, including but not limited to testing, monitoring, treatment, containment, cleaning up, neutralising or detoxification thereof.

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## Section 5 – Exclusions

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### 5.21. Prior knowledge of claims and circumstances

- a. Claims or Losses, Breaches, Privacy Investigations, Illegal Threats or interruptions of any kind covered under this Policy (including Defence Costs and Expenses, Privacy Forensic Costs, Privacy Investigation Costs and Credit Monitoring Costs) first made, threatened, intimated or sustained against You prior to the Period of Insurance;
- b. any situation or Circumstance of which You first became aware prior to the Period of Insurance or which You ought reasonably to have been aware of prior to the Period of Insurance which may give rise to a liability under this Policy and which was known or ought to have been known by You prior to the Period of Insurance.

### 5.22. Products

You or Persons Responsible to You having supplied, manufactured, constructed, altered, repaired, treated, sold, recalled, fabricated, distributed, installed or maintained any goods or products.

### 5.23. Property Damage

based upon or attributable to damage to property (except data covered under clause 1.3 Hacker damage).

### 5.24. Reckless conduct

any conduct committed by You in reckless disregard of another person's or business' rights.

### 5.25. Related parties

any Claim brought by any person or entity within the definition of You or any party with a financial, executive or managerial interest in You, including any parent company or any party in which You have a financial, executive or managerial interest. This exclusion does not apply to a Claim based on a liability to an independent third-party directly arising out of Your business.

### 5.26. Routine privacy investigations

any privacy Investigation arising from any routine regulatory supervision, enquiry or compliance review, any internal Investigation or any Investigation into the activities of Your industry which is not solely related to an alleged breach of privacy by You.

### 5.27. Seizure and confiscation

any confiscation, requisition, expropriation, appropriation, seizure or destruction of property by or under the order of any government or public or local authority, or any order by such authority to take down, deactivate or block access to Your Computer System.

### 5.28. Service providers

any failure or interruption of service provided by an internet service provider, telecommunications provider, Cloud Provider but not including the hosting of hardware and software that You own, or other utility provider.

### 5.29. Territorial limits

any Claim or Loss, Breaches, Privacy Investigations, Illegal Threats, and interruptions including Defence Costs and Expenses, Privacy Forensic Costs, Privacy Investigation Costs and Credit Monitoring Costs brought outside the Territorial Limits, including proceedings brought within the Territorial Limits to enforce a judgment or award, or which are based on a judgment or award from outside the Territorial Limits.

### 5.30. Trading debts

any Claim arising from or directly or indirectly attributable to any trading debt or trading loss or any guarantee or undertaking given by You for a debt or performance of any obligation by a third party.

### 5.31. War and terrorism

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## Section 5 – Exclusions

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any Claim or Loss, Breaches, Privacy Investigations, Illegal Threats, and interruptions arising from or directly or indirectly attributable to war, invasion, acts of foreign enemies, riot, hostilities, Terrorism, or war like operations whether declared or not, civil war, rebellion, revolution, insurrection, civil commotion amounting to an uprising, military or usurped power (regardless of any other cause or event contributing to the liability) and/or any action taken in controlling, preventing or suppressing the aforementioned risks.

This exclusion also applies to any liability for any Claim or Loss covered under this Policy and/or costs including Defence Costs and Expenses, Privacy Forensic Costs, Privacy Investigation Costs and Credit Monitoring Costs on account of any Claim or Loss directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to the risks in the above paragraph.

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## Section 6 – Important Conditions

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### 6.1. Alteration to risk

Notwithstanding the notification provisions of this Policy, You must notify Us within the Period of Insurance of any material alteration to the risk including but not limited to any material change in the nature of or cessation of the Business.

### 6.2. Assignment

You must not assign this Policy or any rights under this Policy without Our consent by way of Endorsement to form part of this Policy.

### 6.3. Authorisation

The insured named in the Policy Schedule shall act on behalf of all insureds with respect to the giving and receiving of notices under this Policy, including the giving of notice of any Claim or Loss, the payment of the Premium, the receipt and acceptance of any Endorsements attaching to and forming part of this Policy.

### 6.4. Confidentiality

You shall not disclose the terms of this Policy or disclose the amount of the Premium paid to any third party except:

- a. To the extent that You are required by law to do so or by any regulatory authority as may be necessary to demonstrate to such regulatory authority that any mandatory insurance requirements of such authority have been satisfied, or
- b. That the existence of the Policy, Policy number, lead insurer, Limit of Indemnity and Policy Excess available may be disclosed to an insurer, to a client or a prospective client, wholesale broker or placing agent necessary to maintain agency facilities, provided that no such disclosure shall be permitted where You are aware or ought reasonably to be aware that the person to whom disclosure is going to be made, has made, or is likely to make a Claim against You or
- c. To the extent that We consent to such disclosure which You have sought, such consent not to be unreasonably withheld.

### 6.5. Document management

We may hold the Proposal (including any attachments thereto) and any documents relating to this insurance and any Claim or Loss in electronic form and may destroy the originals. An electronic copy of any such document will be admissible in evidence to the same extent as, and carry the same weight as, the original.

### 6.6. Fraudulent claims

If You shall knowingly make any false or fraudulent request in respect of any Claim or Loss, as regards amount or otherwise, You will forfeit the right to cover only of the actual Claim in relation to which there has been a false or fraudulent request.

### 6.7. Indemnity to Employees

At Your reasonable request, We will cover any Employee provided the Employee, as though they were You, observes and complies and is subject to the terms of this Policy.

### 6.8. Notification to law enforcement authorities

You must inform, or allow Us to inform, the appropriate law enforcement authorities where any Illegal Threat was made, and keep Us fully informed of all developments concerning any Illegal Threat or ransom demand.

### 6.9. Other insurance

The insurance provided by this Policy shall apply only in excess of any other valid insurance, with the sole exception of any insurance written as specific excess insurance over the Limit of Indemnity provided by this Policy.

### 6.10. Sanctions

We shall not be deemed to provide cover and shall not be liable to pay any Claim or provide any benefit to the extent that the provision of cover, payment of Claim or provision of benefit would expose Us 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.

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## Section 6 – Important Conditions

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### 6.11. Senior Counsel

In the event that;

- a. We recommend settlement of a Claim and You do not agree to the settlement of the Claim and You decide to contest the Claim; or
- b. You wish to settle a Claim and We do not agree to the settlement of the Claim;

Senior Counsel (agreed upon by You and Us or failing such agreement to be nominated by the Chairman for the time being of the Bar Council of England and Wales or where appropriate by a similar official of any similar body in any other applicable jurisdiction) shall advise whether the Claim should be settled or contested taking into account all likely costs, prospects of success and the damages and costs likely to be recovered by the third party claimant, and Your commercial interest. The costs of this exercise will be allocated by the agreed or appointed party on a fair and equitable basis, and the parties will abide by that allocation. This condition applies to clause 2.1 only when You and We have exhausted all appropriate forms of alternative dispute resolution. For purposes of this condition, only definition (a) and (b) of You applies.

### 6.12. Several liability of insurers

Where there is more than one insurer named in the Policy Schedule subscribing to this Policy, insurers' obligations are several and not joint and are limited solely to the extent of their individual subscriptions. We are not responsible for the subscription of any co-subscribing insurer who for any reason does not satisfy all or part of their obligations.

### 6.13. Subrogation

- a. Where We have paid a Claim or Loss covered under this Policy, We will be entitled to any rights You have against any party in relation to the Claim or Loss to the extent of Our payment.
- b. You must assist Us and provide information as We may reasonably require to exercise Our rights of subrogation, including bringing any action or suit in Your name. This may include providing and signing statements and other documents and the giving of evidence.
- c. Any recovery received shall be applied first against any Claim, Loss or costs insofar as it exceeds the Limit of Indemnity, then against any payment made by Us, and finally against the Policy Excess.
- d. We will not subrogate against any current or former principal, partner, member, director or Employee under this Policy unless that person is found to have committed a criminal, fraudulent, malicious or dishonest act or omission.

### 6.14. Take over and mergers

In the event of a take-over or merger where there is a sale or a merger with or acquisition by another entity such that You are not the surviving entity and no longer: (a) control the composition of the board of directors or (b) control more than half the voting power or (c) hold more than half of the issued share capital then this Policy shall apply only to any Claim or Loss arising from Your Business carried out prior to the date of such take-over or merger, unless We otherwise agree.

### 6.15. Third party rights

A person who is not a party to this Policy has no rights under the *Contracts (Rights of Third Parties) Act 1999* or any amendment or re-enactment thereof to enforce any term of this Policy.

### 6.16. Waiver or amendment

The terms of this Policy shall not be waived or amended except by Endorsement to form part of this Policy.

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## Section 7 – Claims Conditions

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### 7.1 Claims notification

You shall notify the Nominee named in the Policy Schedule as soon as practicable within the Period of Insurance or at the latest within 21 days of receipt of any Claim, or Loss, Breach, Privacy Investigation, Illegal Threat or interruption made against You, or an Employee or Persons Responsible to You during the Period of Insurance.

If You become aware of any situation during the Period of Insurance which may give rise to a Claim or Loss, Breach, Privacy Investigation, Illegal Threat or interruption, You shall notify the Nominee named in the Policy Schedule as soon as practicable, or at the latest within 21 days following such awareness.

Notifications made under this clause which subsequently give rise to a Claim shall in each case be deemed to have been a Claim made during the Period of Insurance.

### 7.2 Co-operation

As soon as practicable following receipt by You, You must deliver to the Nominee named in the Policy Schedule any preliminary letter of Claim, pre-action protocol letter, Claim form, other legal procedural documents, summons, arbitration notice or other similar correspondence and documents to those described. You shall provide Us with all information and assistance that We and Our representatives and others appointed by Us may reasonably require. Compliance with this condition will be at Your own cost.

### 7.3 Legal defence and settlement

- a. We are entitled but not obliged to assume the legal defence of any Claim covered under this Policy in Your name and We shall have full discretion in managing any negotiation or proceedings as to the resolution of such Claim
- b. We shall be entitled to select and appoint the lawyers and other representatives that will defend and represent You or Employee in respect of any Claim;
- c. Subject to the conditions of this Policy, We shall be entitled to settle a Claim if We so choose;
- d. You agree in relation to any Claim or potential Claim or Loss not to admit liability for or settle any such Claim, make any admission, offer payment or assume any obligation in connection with any Claim or potential Claim or Loss, or incur any costs in connection with any Claim or Loss, without Our consent, such consent not to be unreasonably withheld;
- e. You must not disclose the nature or terms of this insurance to any person unless required to do so by law or in compliance with the rules of their regulatory body, or in negotiating a contract with any client unless We have agreed to the disclosure in writing;
- f. We shall not be liable for any settlement, costs, admission, offer, payment or assumed obligation without Our consent, such consent not to be unreasonably withheld;
- g. We may at any time pay to You the Limit of Indemnity (having deducted any sums already paid) or any lesser amount for which such Claim or Loss may be settled and having paid that sum We shall relinquish the control of the Claim and be under no further liability in connection with the Claim or Loss;
- h. Prior to settling any Claim or Loss within the Policy Excess You shall obtain from the claimant a signed form of discharge in full and final settlement of the Claim or Loss and You shall advise Us of the final amount for which the Claim or Loss was settled or resolved.



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## Section 7 – Claims Conditions

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- i. You must ensure that Our rights of recovery against a third-party are not unduly restricted or financially limited by any term in any of Your contracts. If You do not, We may reduce any payment We make under this section by an amount equal to the detriment We have suffered as a result.