

Cyber Liability - NMCIA



X^L Insurance



January 17, 2025

Ms. Jo Ann Herbert
Risk Placement Services, Inc.
204 Cedar Street
Cambridge, MD 21613

RE: NEW MEXICO COUNTY INSURANCE AUTHORITY

Dear Jo Ann:

We are pleased to enclose an original and one (1) copy of the above captioned policy.

Thank you for placing your insurance coverage with AXA XL. We at AXA XL feel that a key element of service to our brokers and insureds is efficient claims handling.

Enclosed please find instructions that should be followed in the event of a claim. Should any problems or questions arise concerning claims reporting procedures, you may contact AXA XL Claims Administrators, Inc. at 1-800-432-2481.

Thank you for considering our office.

Sincerely,



Aneta Dudarewicz
Assistant Underwriter
AXA XL

Enclosures



CyberRiskConnect

Privacy, Security and Technology Insurance

Thank you for choosing AXA XL for your cyber insurance. We value your business and look forward to working with you. Please use the information below for contacting AXA XL's Breach Hotline and for accessing AXA XL's online cyber risk management portal, [CyberRiskConnect.com](https://cyberriskconnect.com).

AXA XL Breach Hotline

Should you experience a data breach or cyber security breach, call the AXA XL Breach Hotline at [1-855-566-4724](tel:1-855-566-4724) to obtain immediate triage assistance. Please be aware that contacting the hotline does not satisfy the claim notification requirements of your policy. For claim notification requirements, refer to your policy.

CyberRiskConnect.com

As an AXA XL policyholder, your company has exclusive access to AXA XL's proprietary online resource, [CyberRiskConnect.com](https://cyberriskconnect.com).

Follow these steps to register:

1. Using a web browser navigate to: <https://cyberriskconnect.com/>
2. Complete the New User Registration section including your access code. Your access code is 10448.

This web portal contains cyber risk pre and post breach risk management including:

- **Cyber Liability Library:** latest cyber risk articles and videos, as well as product and policy information from our AXA XL cyber team
- **Cyber Training Videos:** a series of educational videos designed to help train clients on their role in keeping sensitive information secure focusing on network security and privacy, incident response planning, the importance of risk assessments and HIPAA
- **Incident Roadmap:** suggested steps to take following a data breach of cyber security breach
- **Vendor Partner Resources:** a directory to help clients gain quick access to our recently expanded, pre-qualified network of third-party vendors with expertise in pre- and post-breach disciplines, including network vulnerability testing, IT risk assessments, incident response planning, security awareness training, PCI compliance, security incident response planning, data breach tabletops, and more
- **Meet the Team:** includes AXA XL's Cyber & Technology underwriting and claims team contact information
- **News Center:** articles and commentary discussing trends, major breach events, security awareness strategies, risk management guidance, and helpful industry links
- **Risk Manager's Toolbox:** includes a cyber-risk assessment survey, breach notification guides, what-if modelling tools to estimate the cost of a breach, research tools to monitor the type, frequency and severity of incidents

Please note CyberRiskConnect.com is a private site for customers of AXA XL only. Do not share portal access instructions with anyone outside your organization. You are responsible for maintaining the confidentiality of the access code provided to you. Up to five individuals from your organization may register and use the portal. This portal contains a directory of experienced providers of cyber risk management and breach services. Unless otherwise indicated or approved, payment for services provided by these companies is your responsibility.

NOTICE TO POLICYHOLDERS

PRIVACY POLICY

The AXA XL insurance group (the “Companies”), believes personal information that we collect about our customers, potential customers, and proposed insureds (referred to collectively in this Privacy Policy as “customers”) must be treated with the highest degree of confidentiality. For this reason and in compliance with the Title V of the Gramm-Leach-Bliley Act (“GLBA”), we have developed a Privacy Policy that applies to all of our companies. For purposes of our Privacy Policy, the term “personal information” includes all information we obtain about a customer and maintain in a personally identifiable way. In order to assure the confidentiality of the personal information we collect and in order to comply with applicable laws, all individuals with access to personal information about our customers are required to follow this policy.

Our Privacy Promise

Your privacy and the confidentiality of your business records are important to us. Information and the analysis of information is essential to the business of insurance and critical to our ability to provide to you excellent, cost-effective service and products. We understand that gaining and keeping your trust depends upon the security and integrity of our records concerning you. Accordingly, we promise that:

1. We will follow strict standards of security and confidentiality to protect any information you share with us or information that we receive about you;
2. We will verify and exchange information regarding your credit and financial status only for the purposes of underwriting, policy administration, or risk management and only with reputable references and clearinghouse services;
3. We will not collect and use information about you and your business other than the minimum amount of information necessary to advise you about and deliver to you excellent service and products and to administer our business;
4. We will train our employees to handle information about you or your business in a secure and confidential manner and only permit employees authorized to use such information to have access to such information;
5. We will not disclose information about you or your business to any organization outside the AXA XL insurance group of Companies or to third party service providers unless we disclose to you our intent to do so or we are required to do so by law;
6. We will not disclose medical information about you, your employees, or any claimants under any policy of insurance, unless you provide us with written authorization to do so, or unless the disclosure is for any specific business exception provided in the law;
7. We will attempt, with your help, to keep our records regarding you and your business complete and accurate, and will advise you how and where to access your account information (unless prohibited by law), and will advise you how to correct errors or make changes to that information; and
8. We will audit and assess our operations, personnel and third party service providers to assure that your privacy is respected.

Collection and Sources of Information

We collect from a customer or potential customer only the personal information that is necessary for (a) determining eligibility for the product or service sought by the customer, (b) administering the product or service obtained, and (c) advising the customer about our products and services. The information we collect generally comes from the following sources:

- Submission – During the submission process, you provide us with information about you and your business, such as your name, address, phone number, e-mail address, and other types of personal identification information;
- Quotes – We collect information to enable us to determine your eligibility for the particular insurance product and to determine the cost of such insurance to you. The information we collect will vary with the type of insurance you seek;

NOTICE TO POLICYHOLDERS

- Transactions – We will maintain records of all transactions with us, our affiliates, and our third party service providers, including your insurance coverage selections, premiums, billing and payment information, claims history, and other information related to your account;
- Claims – If you obtain insurance from us, we will maintain records related to any claims that may be made under your policies. The investigation of a claim necessarily involves collection of a broad range of information about many issues, some of which does not directly involve you. We will share with you any facts that we collect about your claim unless we are prohibited by law from doing so. The process of claim investigation, evaluation, and settlement also involves, however, the collection of advice, opinions, and comments from many people, including attorneys and experts, to aid the claim specialist in determining how best to handle your claim. In order to protect the legal and transactional confidentiality and privileges associated with such opinions, comments and advice, we will not disclose this information to you; and
- Credit and Financial Reports – We may receive information about you and your business regarding your credit. We use this information to verify information you provide during the submission and quote processes and to help underwrite and provide to you the most accurate and cost-effective insurance quote we can provide.

Retention and Correction of Personal Information

We retain personal information only as long as required by our business practices and applicable law. If we become aware that an item of personal information may be materially inaccurate, we will make reasonable effort to re-verify its accuracy and correct any error as appropriate.

Storage of Personal Information

We have in place safeguards to protect data and paper files containing personal information.

Sharing/Disclosing of Personal Information

We maintain procedures to assure that we do not share personal information with an unaffiliated third party for marketing purposes unless such sharing is permitted by law. Personal information may be disclosed to an unaffiliated third party for necessary servicing of the product or service or for other normal business transactions as permitted by law.

We do not disclose personal information to an unaffiliated third party for servicing purposes or joint marketing purposes unless a contract containing a confidentiality/non-disclosure provision has been signed by us and the third party. Unless a consumer consents, we do not disclose “consumer credit report” type information obtained from an application or a credit report regarding a customer who applies for a financial product to any unaffiliated third party for the purpose of serving as a factor in establishing a consumer’s eligibility for credit, insurance or employment. “Consumer credit report type information” means such things as net worth, credit worthiness, lifestyle information (piloting, skydiving, etc.) solvency, etc. We also do not disclose to any unaffiliated third party a policy or account number for use in marketing. We may share with our affiliated companies information that relates to our experience and transactions with the customer.

Policy for Personal Information Relating to Nonpublic Personal Health Information

We do not disclose nonpublic personal health information about a customer unless an authorization is obtained from the customer whose nonpublic personal information is sought to be disclosed. However, an authorization shall not be prohibited, restricted or required for the disclosure of certain insurance functions, including, but not limited to, claims administration, claims adjustment and management, detection, investigation or reporting of actual or potential fraud, misrepresentation or criminal activity, underwriting, policy placement or issuance, loss control and/or auditing.

NOTICE TO POLICYHOLDERS

Access to Your Information

Our employees, employees of our affiliated companies, and third party service providers will have access to information we collect about you and your business as is necessary to effect transactions with you. We may also disclose information about you to the following categories of person or entities:

- Your independent insurance agent or broker;
- An independent claim adjuster or investigator, or an attorney or expert involved in the claim;
- Persons or organizations that conduct scientific studies, including actuaries and accountants;
- An insurance support organization;
- Another insurer if to prevent fraud or to properly underwrite a risk;
- A state insurance department or other governmental agency, if required by federal, state or local laws; or
- Any persons entitled to receive information as ordered by a summons, court order, search warrant, or subpoena.

Violation of the Privacy Policy

Any person violating the Privacy Policy will be subject to discipline, up to and including termination.

For more information or to address questions regarding this privacy statement, please contact your broker.

NOTICE TO POLICYHOLDERS

U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL ("OFAC")

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 Policyholder Notice provides information concerning possible impact on your insurance coverage due to the impact of U.S. Trade Sanctions¹. Please read this Policyholder Notice carefully.

In accordance with the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") regulations, or any other U.S. Trade Sanctions embargoes or export controls applied by any regulatory body, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated U.S. sanctions, embargoes or export controls law, is a Specially Designated National and Blocked Person ("SDN"), or is owned or controlled by an SDN, this insurance will be considered a blocked or frozen contract. When an insurance policy is considered to be such a blocked or frozen contract, neither payments nor premium refunds may be made without authorization from OFAC or the applicable regulator. Other limitations on the premiums and payments also apply.

¹ "U.S Trade Sanctions" may be promulgated by Executive Order, act of Congress, regulations from the U.S. Departments of State, Treasury, or Commerce, regulations from the State Insurance Departments, etc.

NOTICE TO POLICYHOLDERS

FRAUD NOTICE

Alabama	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or who knowingly presents false information in an application for insurance is guilty of a crime and may be subject to restitution fines or confinement in prison, or any combination thereof.
Arkansas	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
California	For your protection California law requires the following to appear on this form: Any person who knowingly presents false or fraudulent information to obtain or amend insurance coverage or to make a claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison.
Colorado	It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.
District of Columbia	WARNING: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.
Florida	Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.
Kansas	A "fraudulent insurance act" means an act committed by any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written, electronic, electronic impulse, facsimile, magnetic, oral, or telephonic communication or statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance that such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto.
Kentucky	Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime.
Louisiana	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

NOTICE TO POLICYHOLDERS

Maine	It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines, or denial of insurance benefits.
Maryland	Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
New Jersey	Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.
New Mexico	ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO CIVIL FINES AND CRIMINAL PENALTIES.
New York	<p>General: All applications for commercial insurance, other than automobile insurance: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.</p> <p>All applications for automobile insurance and all claim forms: Any person who knowingly makes or knowingly assists, abets, solicits or conspires with another to make a false report of the theft, destruction, damage or conversion of any motor vehicle to a law enforcement agency, the department of motor vehicles or an insurance company, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the value of the subject motor vehicle or stated claim for each violation.</p> <p>Fire: 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 proposed insured affirms that the foregoing information is true and agrees that these applications shall constitute a part of any policy issued whether attached or not and that any willful concealment or misrepresentation of a material fact or circumstances shall be grounds to rescind the insurance policy.</p>
Ohio	Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.
Oklahoma	<p>WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.</p> <p>WARNING: All Workers Compensation Insurance: Any person or entity who makes any material false statement or representation, who willfully and knowingly omits or conceals any material information, or who employs any device, scheme, or artifice, or who aids and abets any person for the purpose of:</p> <ol style="list-style-type: none"> 1. obtaining any benefit or payment, 2. increasing any claim for benefit or payment, or 3. obtaining workers' compensation coverage under the Administrative Workers' Compensation Act, shall be guilty of a felony punishable pursuant to Section 1663 of Title 21 of the Oklahoma Statutes.

NOTICE TO POLICYHOLDERS

Pennsylvania	<p>Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.</p> <p>Automobile Insurance: Any person who knowingly and with intent to injure or defraud any insurer files an application or claim containing any false, incomplete or misleading information shall, upon conviction, be subject to imprisonment for up to seven years and the payment of a fine of up to \$15,000.</p>
Puerto Rico	<p>Any person who knowingly and with the intention of defrauding presents false information in an insurance application, or presents, helps, or causes the presentation of a fraudulent claim for the payment of a loss or any other benefit, or presents more than one claim for the same damage or loss, shall incur a felony and, upon conviction, shall be sanctioned for each violation by a fine of not less than five thousand dollars (\$5,000) and not more than ten thousand dollars (\$10,000), or a fixed term of imprisonment for three (3) years, or both penalties. Should aggravating circumstances [be] present, the penalty thus established may be increased to a maximum of five (5) years, if extenuating circumstances are present, it may be reduced to a minimum of two (2) years.</p>
Rhode Island	<p>Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.</p>
Tennessee	<p>It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.</p> <p>Workers' Compensation: It is a crime to knowingly provide false, incomplete or misleading information to any party to a workers' compensation transaction for the purpose of committing fraud. Penalties include imprisonment, fines and denial of insurance benefits.</p>
Utah	<p>Workers' Compensation: Any person who knowingly presents false or fraudulent underwriting information, files or causes to be filed a false or fraudulent claim for disability compensation or medical benefits, or submits a false or fraudulent report or billing for health care fees or other professional services is guilty of a crime and may be subject to fines and confinement in state prison.</p>
Virginia	<p>It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.</p>
Washington	<p>It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.</p>
West Virginia	<p>Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.</p>
All Other States	<p>Any person who knowingly and willfully presents false information in an application for insurance may be guilty of insurance fraud and subject to fines and confinement in prison. (In Oregon, the aforementioned actions may constitute a fraudulent insurance act which may be a crime and may subject the person to penalties).</p>

NOTICE TO POLICYHOLDERS

CLAIMS REPORTING INFORMATION

AXA XL

Please be advised of the following claims reporting address:

via email:

proclaimnewnotices@axaxl.com

OR

via regular mail:

AXA XL Claims
P.O. Box 211547
Dallas, TX 75211



CyberRiskConnect

Privacy, Security and Technology Insurance

DECLARATION PAGE

THIS POLICY PROVIDES SURPLUS LINES INSURANCE BY AN INSURER NOT OTHERWISE AUTHORIZED TO TRANSACT BUSINESS IN NEW MEXICO. THIS POLICY IS NOT SUBJECT TO SUPERVISION, REVIEW OR APPROVAL BY THE SUPERINTENDENT OF INSURANCE. THE INSURANCE SO PROVIDED IS NOT WITHIN THE PROTECTION OF ANY GUARANTY FUND LAW OF NEW MEXICO DESIGNED TO PROTECT THE PUBLIC IN THE EVENT OF THE INSURER'S INSOLVENCY.

POLICY NUMBER:		INSURANCE COMPANY:	Indian Harbor Insurance Company
RENEWAL OF:		REGULATORY OFFICE:	505 Eagleview Blvd. Suite 100, Exton, PA 19341-1120

ITEM 1. NAMED INSURED			
Named Insured		NEW MEXICO COUNTY INSURANCE AUTHORITY	
Address		444 GALISTEO STREET SANTA FE, NM 87501	
ITEM 2. POLICY PERIOD			
Effective Date	January 1, 2025	Expiration Date	January 1, 2026
ITEM 3. COVERAGE SCHEDULE			
Combined Limits - Combined Policy Aggregate Limit			\$ 5,000,000
THIRD PARTY LIABILITY COVERAGES	LIMIT	RETENTION	RETRO DATE
Technology Products And Services	N/A	N/A	N/A
Professional Services	N/A	N/A	N/A
Media	\$ 2,000,000	\$ 250,000	Full Prior Acts
Privacy And Cyber Security	\$ 2,000,000	\$ 250,000	Full Prior Acts
Privacy Regulatory Defense, Awards And Fines	\$ 2,000,000	\$ 250,000	Full Prior Acts
FIRST PARTY COVERAGES	LIMIT	WAITING PERIOD	
Business Interruption And Extra Expense	Loss Of Business Income	\$ 2,000,000	18 Hours
	Extra Expense	\$ 2,000,000	\$ 250,000
Data Recovery	\$ 2,000,000	\$ 250,000	
Cyber-Extortion And Ransomware	\$ 2,000,000	\$ 250,000	

Data Breach Response And Crisis Management Coverage	\$ 2,000,000	\$ 250,000
ITEM 4. PREMIUM		\$ 290,000
ITEM 5. PROFESSIONAL SERVICES		
N/A		
ITEM 6. NOTICE OF CLAIM		
By email: proclaimnewnotices@axaxl.com	By certified post mail : AXA XL Claims, P.O. Box 211547, Dallas, TX 75211	
ITEM 7. AXA XL BREACH HOTLINE	1-855-566-4724	

ITEM 8. ENDORSEMENTS ATTACHED AT POLICY ISSUANCE		
Endorsement Number	Endorsement Form Number	Endorsement Title
	TRD 050 0619	CyberRiskConnect Privacy, Security and Technology Insurance
	PN CW 02 0119	Privacy Policy
	PN CW 05 0519	U.S. Treasury Department's Office Of Foreign Assets Control ("OFAC")
	PN CW 01 0123	Fraud Notice
	NTD 018 0120	Claims Reporting Information
	IL MP 9104 0124 IHIC	In Witness - Indian Harbor Insurance Company
Endorsement No. 001	TRD 419 0617	Long Named Insured Endorsement
Endorsement No. 002	TRD 608 0617	Specified Entity Exclusion
Endorsement No. 003	TRD 437 0917	Dependent Business Interruption Coverage Endorsement
Endorsement No. 004	TRD 438 1218	Dependent Business Interruption - System Failure Coverage Endorsement
Endorsement No. 005	TRD 439 0918	System Failure Coverage Endorsement
Endorsement No. 006	TRD 454 1017	PCI DSS Coverage Amendatory Endorsement
Endorsement No. 007	TVI 900 0817	Certified Acts of Terrorism Coverage and Premium Disclosure
Endorsement No. 008	TRD 567 0318	Limit Of Liability And Retention Amendatory Endorsement - Limits And Retention Per Named Insured For Related Matters And Related Losses
Endorsement No. 009	TRD 569 0918	Consequential Reputational Loss Endorsement
Endorsement No. 010	TRD 581 1219	Bricking Coverage Endorsement
Endorsement No. 011	TRD 802 0119	Voluntary Shutdown - Amended Business Interruption and Extra Expenses Endorsement
Endorsement No. 012	TRD 816 0223	Utility Fraud Endorsement
Endorsement No. 013	TRD 817 1219	Cyber Crime Endorsement

Endorsement No. 014	TRD 830 0720	Amended Definition of Network Endorsement - BYOD/WFH
Endorsement No. 015	TRD 834 0823	Privacy Regulatory Endorsement
Endorsement No. 016	TRD 835 0122	Ransomware Sublimit Endorsement
Endorsement No. 017	TRD 632 0324	War Exclusion Endorsement v2
Endorsement No. 018	TRD 868 0524	SEC Analysis & Reporting Costs Sublimit Endorsement
Endorsement No. 019	XL-NMSOP 0118	Service of Process

ITEM 9. PRODUCER	
NAME	Risk Placement Services, Inc.
ADDRESS	204 Cedar Street Cambridge, MD 21613



CyberRiskConnect

Privacy, Security and Technology Insurance

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CyberRiskConnect

Privacy, Security and Technology Insurance

POLICY FORM

SECTION I.A. OF THIS POLICY IS A THIRD PARTY LIABILITY COVERAGE SECTION AND APPLIES ONLY TO THOSE CLAIMS THAT ARE FIRST MADE AGAINST THE INSURED AND REPORTED IN ACCORDANCE WITH THE POLICY. CLAIM EXPENSES ARE WITHIN AND REDUCE THE LIMIT OF LIABILITY. PLEASE REVIEW THE POLICY CAREFULLY.

Words and phrases in blue are defined in Section IV. [Definitions](#).

In consideration of the premium paid by the [Named Insured](#), in reliance upon the [application](#), and subject to the Declarations, limitations, conditions, provisions and other terms of this Policy, the [Insurer](#) and the [Insured](#) agree, with respect to the Insuring Agreements purchased, as stated on the Declarations page, as follows:

I. Insuring Agreements

A. Third Party Liability Coverages

The [Insurer](#) will pay on behalf of an [Insured claim expenses](#) and [damages](#) in excess of the applicable retention that the [Insured](#) is legally obligated to pay as the result of a [claim](#) first made against the [Insured](#) during the [policy period](#) or Extended Reporting Period (if applicable) alleging a:

1. Technology Products and Services
[technology wrongful act](#);
2. Professional Services
[professional services wrongful act](#);
3. Media
[media wrongful act](#);
4. Privacy and Cyber Security
[privacy and security wrongful act](#),

committed by the [Insured](#), a [rogue employee](#), an [outsourced provider](#), or by a third party for whose [third party wrongful act](#) an [Insured](#) is legally responsible.

5. Privacy Regulatory Defense, Awards and Fines

The [Insurer](#) will pay on behalf of an [Insured claim expenses](#) and [regulatory damages](#) in excess of the applicable retention that the [Insured](#) is legally obligated to pay as the result of a [privacy regulatory action](#) first made against the [Insured](#) during the [policy period](#) or Extended Reporting Period (if applicable) alleging a [privacy and security wrongful act](#) committed by the [Insured](#), a [rogue employee](#), an [outsourced provider](#), or by a third party for whose [privacy and security wrongful act](#) the [Insured](#) is legally responsible.

B. First Party Coverages

1. Business Interruption and Extra Expenses

The **Insurer** will pay or reimburse the **Insured** for:

- (a) **loss of business income** after the **waiting period**; and
- (b) **extra expenses** in excess of the applicable retention,

during the **period of restoration** that the **Insured** incurs resulting from a **cyber security breach** directly causing a total or partial interruption or deterioration in the **Insured's** business operations.

2. Data Recovery

The **Insurer** will pay or reimburse the **Insured** for **data recovery expenses** in excess of the applicable retention that the **Insured** incurs directly resulting from a **cyber security breach**.

3. Cyber-Extortion and Ransomware

The **Insurer** will pay or reimburse the **Insured** for **cyber-extortion expenses** in excess of the applicable retention that the **Insured** incurs directly resulting from and in response to a **cyber-extortion threat**.

C. Data Breach Response and Crisis Management Coverage

The **Insurer** will pay or reimburse the **Insured** for **data breach response and crisis management costs** in excess of the applicable retention that the **Insured** incurs for a continuous eighteen (18) month period resulting from a **data breach** or **cyber security breach**. The payment period begins when the **data breach** or **cyber security breach** is reported to the **Insurer** in accordance with Section VI. Notice.

D. Application of Coverage

1. The coverage provided under Insuring Agreements I.A. Third Party Liability Coverages shall apply if and only if:

- (a) the first **third party wrongful act** or **related matter** occurs on or after the **retroactive date**, as stated in Item 3. on the Declarations Page, and prior to the Policy expiration date, as stated in Item 2. on the Declarations page;
- (b) prior to the effective date of the Policy, as stated in Item 2. on the Declarations Page, or that of the first policy issued and continuously renewed by the **Insurer**, of which this Policy is a renewal, no **executive officer** knew or could have reasonably foreseen that such **third party wrongful act** or **related matter** did or likely would result in a **claim**;
- (c) the **claim** is reported in accordance with Section VI. Notice; and
- (d) notice of such **third party wrongful act** or **related matter** alleged or contained in any **claim** or in any circumstance has not been provided by the **Insured** and accepted by the applicable insurer under any prior policy of which this Policy is a renewal or replacement, or any subsequent policy, irrespective of whether such prior or subsequent policy was issued by the **Insurer** or any other entity.

2. The coverage provided under Insuring Agreement I.B. First Party Coverages and Insuring Agreement I.C. Data Breach Response and Crisis Management Coverage shall apply if and only if:

- (a) an **executive officer** first discovers and/or becomes aware of such **first party incident** or **related matter** during the **policy period**;
- (b) the **first party incident** is reported in accordance with VI. Notice; and

- (c) notice of such **first party incident** or **related matter** has not been provided by an **Insured** and accepted by the applicable insurer under any prior policy of which this Policy is a renewal or replacement, or any subsequent policy, irrespective of whether such prior or subsequent policy was issued by the **Insurer** or any other entity.

II. Defense and Settlement

A. Defense

The **Insurer** has the right and duty to defend any **claim** under insuring agreement I.A. Third Party Liability Coverages made against an **Insured** even if the allegations in the **claim** are groundless, false or fraudulent. The **Insurer** will select and appoint defense counsel.

B. Settlement

The **Insurer** has the right with the prior written consent of the **Insured**, such consent not to be unreasonably withheld, to settle a **claim**. If the **Insured refuses** to consent to any such settlement recommended by the **Insurer** and agreed to by the claimant, then the **Insurer's** duty to defend ends and the **Insurer's** limit of liability for such **claim** will not exceed the amount for which the **Insurer** could have settled such **claim** had the **Insured** consented to settlement, plus **claim expenses** incurred up to the time the **Insurer** made its settlement recommendation, plus an additional seventy percent (70%) of **claim expenses** and **damages** incurred by an **Insured** after the **Insurer** had made its settlement recommendation. All such payments by the **Insurer** are subject to Section III. Limit of Liability and Retention.

III. Limit of Liability and Retention

A. Limit of Liability Option

The **Insured** shall elect the Policy's limits to apply on a Combined Limits or Separate Limits basis, as stated on the Coverage Schedule in Item 3. on the Declaration Page.

1. Combined Limits

- (a) If the **Insured** elects Combined Limits, then the Policy's Combined Policy Aggregate Limit, as stated in Item 3. Coverage Schedule on the Declarations Page, is the **Insurer's** maximum liability for **loss** under all Insuring Agreements combined, regardless of the number of **claims**, or individuals or entities making **claims**. Upon exhaustion of such limit of liability, the **Insurer** will not be liable to pay any further **loss** with respect to this Policy.
- (b) If a **sublimit** with respect to an Insuring Agreement is stated in Item 3. on the Declarations Page, then such **sublimit** will be the **Insurer's** maximum liability for **loss** with respect to such Insuring Agreement. Upon exhaustion of such **sublimit**, the **Insurer** will not be liable to pay any further **loss** with respect to the coverage provided by the subject Insuring Agreement. Each **sublimit** will be part of, and not in addition to, this Policy's Combined Policy Aggregate Limit of Liability and will in no way serve to increase or supplement such limit of liability. All payments made under a **sublimit** will reduce such limit of liability.

2. Separate Limits

If the **Insured** elects Separate Limits, then the Policy's:

- (a) Third and First Party Aggregate Limit, as stated in Item 3. on the Declarations Page, is the **Insurer's** maximum liability for all **damages, claim expenses, regulatory damages, loss of business income, extra expenses, data recovery expenses, and cyber-extortion expenses** for all Third Party Liability Coverages and First Party Coverages, regardless of the number of **Insureds, claims, first party incidents**, or individuals or entities making **claims**. If a **sublimit** with respect to an Insuring Agreement is stated in Item 3. on the Declarations Page, then such **sublimit** will be the **Insurer's** maximum liability for **loss** with respect to such Insuring Agreement. Upon exhaustion of such **sublimit**, the **Insurer** will not be liable to pay any further **loss** with respect to the coverage provided by the subject Insuring Agreement. Each **sublimit** will be part of, and not in addition to, the Policy's Third Party Liability and First Party Aggregate Limit of Liability and will in no way serve to increase or supplement such limit of liability. All payments made under a **sublimit** will reduce such limit of liability.
- (b) Data Breach Response and Crisis Management Aggregate Limit, as stated in Item 3. on the Declarations Page, is the **Insurer's** maximum liability for all **data breach response and crisis management costs** for Data Breach Response and Crisis Management Coverage, regardless of the number of **data breaches**.

3. Exhaustion of Limit

- (a) Upon exhaustion of the:
 1. Combined Policy Aggregate Limit of Liability under the Combined Limits option; or
 2. Third Party and First Party Aggregate Limit of Liability under the Separate Limits option; and
 3. Data Breach Response and Crisis Management Aggregate Limit of Liability under the Separate Limits option; or

- (b) after the **Insurer** has deposited or escrowed any amounts remaining in the Policy's applicable aggregate limit of liability with a court of competent jurisdiction, the **Insurer** will not be liable to pay for any further **loss** under the Policy.

B. Retentions

1. Combined Limits

- (a) The **Insurer** is liable only for that portion of **damages, claim expenses, regulatory damages, and first party costs** (not including **loss of business income**) in excess of the applicable Insuring Agreement's retention amount, as stated in Item 3. on the Declarations page. If more than a single retention applies to a **claim** and/or **first party incident**, then the **Insured** is responsible for paying the highest applicable retention. The retention will be borne entirely by the **Insured** alone and not by the **Insurer**.
- (b) Solely with respect to insuring agreement I.B.1.(a) Business Interruption and Extra Expenses, the **Insurer** is liable only for **loss of business income** in excess of the **waiting period**.

2. Separate Limits

- (a) The **Insurer** is liable only for that portion of **damages, claim expenses, regulatory damages, extra expenses, data recovery expenses and cyber-extortion expenses** that is in excess of the applicable Insuring Agreement's retention amount, as stated in Item 3. on the Declarations page. If more than a single retention applies to a **claim** and/or **first party incident**, then the **Insured** is responsible for paying the highest applicable retention. The retention will be borne entirely by the **Insured** alone and not by the **Insurer**.
- (b) With respect to insuring agreement I.C. Data Breach Response and Crisis Management Coverage a separate retention will apply and the **Insurer** is liable only for that portion of any **data breach response and crisis management costs** directly resulting from a **data breach** or **cyber security breach**.
- (c) Solely with respect to insuring agreement I.B.1.(a) Business Interruption and Extra Expenses, the **Insurer** is liable only for **loss of business income** in excess of the **waiting period**.

C. Related Matters and Related Losses

1. Related Third Party Wrongful Acts

A **claim** resulting from a **related matter** will be treated as a single **claim** first made against the **Insured** at the time the first such **related matter** occurred, irrespective of whether such **related matter** occurred prior to or during the **policy period**, and irrespective of the number of **related matters**, and the identity or number of **Insureds** involved.

2. Related First Party Incidents

- (a) A **related matter** involving a **first party incident** (other than a **cyber-extortion threat**) will be considered a single **first party incident** which shall be deemed to have been discovered on the date on which the earliest such **first party incident** was discovered by an **executive officer**.
- (b) All **related matters** involving **cyber-extortion threats** will be considered a single **cyber-extortion threat** first occurring on the date the first such **cyber-extortion threat** occurred.

3. Related Loss

All **loss** will be considered a single **loss** occurring at the time the first **related matter** giving rise to such **loss** first occurred or was first discovered, irrespective of the number of **related losses**, and the identity or number of **Insureds** involved.

IV. Definitions

A. Application

The signed application, information, statements, representations, attachments, exhibits, and other material submitted to the [Insurer](#) in connection with the underwriting of this Policy.

B. Breach Response Providers

The [Insurer's](#) pre-approved panel of breach response vendors.

C. Claim

1. A written demand for monetary damages, services, or injunctive or other non-monetary relief;
2. A civil proceeding for monetary damages, services, or injunctive or other non-monetary relief that is commenced by service of a complaint or similar pleading, including any appeal thereof;
3. A mandatory arbitration or other mandatory alternative dispute resolution proceeding for monetary damages, services, or injunctive or other non-monetary relief commenced by a written demand, including any appeal thereof, or a non-mandatory arbitration or other non-mandatory alternative dispute resolution proceeding to which the [Insurer](#) has consented in writing;
4. Solely with respect to insuring agreement I.A.5. Privacy Regulatory Defense, Awards and Fines, a [privacy regulatory action](#); or
5. A request to toll or waive any applicable statute of limitations.

D. Claim Expenses

1. Reasonable and necessary fees for the defense of a [claim](#) defended by an attorney in accordance with Section II. Defense and Settlement, as well as other reasonable and necessary fees, costs and expenses that result from the investigation, adjustment, negotiation, arbitration, defense or appeal of a [claim](#); and
2. Premiums on appeal bonds, attachment bonds or similar bonds. Provided, however, the [Insurer](#) is not obligated to apply for or furnish any such bond.

E. Confidential Business Information

Third party information, whether printed or digital, encrypted or unencrypted, in the care, custody or control of an [Insured](#) or [outsourced provider](#), including a trade secret, formula, pattern, compilation, program, device, method, technique, or process, that derives independent economic value, actual or potential, from not being generally known or readily ascertainable through appropriate means by other persons and is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

F. Consumer Redress Amount

That sum of money that the [Insured](#) is legally obligated to deposit in a fund for the payment of consumer claims as the result of a [privacy regulatory action](#).

G. Coverage Sections

Insuring agreements: I.A. Third Party Liability Coverages, I.B. First Party Coverages, and I.C. Data Breach Response and Crisis Management Coverage.

H. Cyber-extortion Expenses

1. Reasonable and necessary money, digital currency, property, or other consideration surrendered as payment by or on behalf of the **Insured Company**, to which the **Insurer** has consented, such consent not to be unreasonably withheld, in order to prevent, limit or respond to a **cyber-extortion threat**; and
2. Reasonable and necessary costs charged by:
 - (a) **breach response providers**; or
 - (b) qualified third parties with the prior consent of the **Insurer**, to conduct an investigation and advise the **Insured** how to respond to and resolve a **cyber-extortion threat**.

I. Cyber-extortion Threat

A threat made by a third party or **rogue employee** demanding payment in consideration for the elimination, mitigation or removal of the threat intended to:

1. Disrupt the **network** to impair business operations of the **Insured Company**;
2. Alter, damage, or destroy data stored on the **network**;
3. Use the **network** to generate and transmit malware to third parties;
4. Deface the **Insured Company's** website;
5. Access or release data, including **personally identifiable information**, **protected health information**; **confidential business information**, stored or previously stored on the **network**;
6. Refuse to return data stolen from the **network**; or
7. Prevent access to the **network** or data by using encryption and withholding the decryption key.

J. Cyber Security Breach

Any unauthorized: access to, use or misuse of, modification to the **network**, and/or denial of **network** resources by cyber-attacks perpetrated by a third party or **rogue employee** through any electronic means, including malware, viruses, worms, and Trojan horses, spyware and adware, zero-day attacks, hacker attacks and denial of service attacks.

K. Damages

Compensatory damages resulting from a judgment, award or settlement agreement, including pre-judgment and post-judgment interest, which the **Insured** becomes legally obligated to pay as a result of a **claim**, and punitive, exemplary damages, and multiple damages, if the insuring of such damages is permitted under the laws and public policy of the jurisdiction under which this Policy is construed, which the **Insured** becomes legally obligated to pay as a result of a **claim**. Enforceability of punitive, exemplary damages and multiple damages will be governed by the applicable law that most favors affirmative coverage for such damages.

Damages do not include:

1. The return of any fees paid to an **Insured** or the offset of any future fees to be charged by or owed to an **Insured**;
2. Lost investment income;
3. Costs incurred by an **Insured** to withdraw or recall **technology products**, including products that incorporate an **Insured's technology products**, **technology services**, or **professional services**;
4. Costs incurred by an **Insured** to correct, re-perform or complete any **technology services** or **professional services**;

5. Costs incurred by an **Insured** or by a third party at the direction of the **Insured** to remediate, repair, replace, restore, modify, update, upgrade, supplement, correct, or otherwise improve a **network** to a level of functionality beyond that which existed prior to a **cyber security breach**;
6. Civil or criminal fines or penalties or compliance violation remedies imposed on an **Insured**; provided, however, civil fines or penalties shall constitute damages under insuring agreement I.A.5. Privacy Regulatory Defense, Awards and Fines;
7. Liquidated damages in excess of an **Insured's** liability that otherwise results from a **third party wrongful act**;
8. The monetary value of an electronic fund transfer or transaction that is lost or diminished;
9. Any amounts incurred prior to the **Insured** providing notice of a **claim** pursuant to the terms of this Policy;
10. The value of non-monetary relief, including any amount attributable to or arising therefrom; or
11. Royalty or licensing fees or payments.

L. Data Breach

Any actual or reasonably suspected theft, **loss**, or unauthorized acquisition, access to, or disclosure of data or hardware containing data that has or may compromise the security, confidentiality and/or integrity of **personally identifiable information**, **protected health information**, or **confidential business information**.

M. Data Breach Reporting Requirement

Any provision in a law, statute or regulation, domestic or foreign, that requires the **Insured** to provide notification to affected persons of a suspected breach of such person's **personally identifiable information** or **protected health information**.

N. Data Breach Response and Crisis Management Costs

1. Reasonable and necessary costs charged by **breach response providers** to:
 - (a) determine the legal applicability of and actions necessary to respond to a **data breach reporting requirement**;
 - (b) perform computer forensics to determine the existence, cause and scope of a **data breach** or **cyber security breach**;
 - (c) notify individuals of a **data breach**, either those who are required to be notified pursuant to a **data breach reporting requirement** or on a voluntary basis;
 - (d) operate a call center to manage **data breach** inquiries;
 - (e) provide credit or identity monitoring and identity protection and restoration services or any similar service for those individuals whose **personally identifiable information** was or may have been breached;
 - (f) provide medical identity restoration for those individuals whose **protected health information** was or may have been breached; or
 - (g) minimize reputational harm to the **Insured Company** by hiring a public relations or crisis communications firm;

2. Reasonable and necessary costs charged by any qualified provider that is not a [breach response providers](#) so long as the qualified provider:
 - (a) is pre-approved in writing by the [Insurer](#); or
 - (b) provides comparable services to those enumerated in 1.(a) through 1.(g) above and whose rate shall not exceed the rate the [Insurer](#) has pre-negotiated with the [breach response providers](#); and
3. Costs charged by a PCI Forensics Investigator to perform forensics to determine the existence, cause and scope of a breach or suspected breach of cardholder data.

O. Data Recovery Expenses

Reasonable and necessary costs incurred by the [Insured Company](#) with the prior written consent of the [Insurer](#), such consent not to be unreasonably withheld, to:

1. Determine whether damaged or destroyed computer programs, software or electronic data can be replaced, recreated, restored or repaired; and
2. Replace, recreate, restore or repair such damaged or destroyed computer programs, software or electronic data residing on the [network](#) to substantially the form in which it existed immediately prior to a [cyber security breach](#).

P. Domestic Partner

Any spouse or any person qualifying as a domestic partner under federal, state, foreign, or other law (including common law), statute, or regulation, or under the [Insured Company's](#) employee benefit plan.

Q. Executive Officer

Any duly elected or appointed Chief Executive Officer, Chief Financial Officer, Chief Information Officer, Chief Privacy Officer, Chief Security Officer, Chief Information Security Officer, Chief Technology Officer, Risk Manager, General Counsel and in-house attorney designated to be in charge of litigation, or the functional equivalent of any of the foregoing, of the [Insured](#).

R. Extra Expenses

Reasonable and necessary expenses, including payroll, in excess of the [Insured's](#) normal operating expenses which are incurred to reduce or avoid [loss of business income](#) and/or restore business operations.

S. First Party Costs

Any [loss of business income](#), [extra expenses](#), [data recovery expenses](#), [cyber-extortion expenses](#), and [data breach response and crisis management costs](#).

First Party Costs do not include any amounts incurred prior to the [Insured](#) providing notice of the [first party incident](#).

T. First Party Incident

A [cyber security breach](#), [cyber-extortion threat](#), or [data breach](#).

U. Insured

The [Insured Company](#); and

1. Any past or present employee, director, officer, member, principal, partner, trustee, leased, temporary, seasonal employee/worker and volunteer of the [Insured Company](#) acting in their capacity and in accordance with their authority as such;

2. Any independent contractor performing services for the **Insured Company** under a written contract but solely with respect to such independent contractor's duties on behalf and for the benefit of the **Insured Company**; and
3. With respect to insuring agreement I.A.3. Media, any person or entity that disseminates **matter** on behalf and for the benefit of an Insured where, prior to such dissemination, an Insured has agreed in writing to include such person or entity as an Insured under the Policy.
4. Any entity that an **Insured Company** is required by written contract to be insured under the Policy, but only for a **third party wrongful act** committed by the **Insured Company** or any persons under Definition IV.U. Insured paragraph 1. and Definition IV.U. Insured paragraph 2.;

Provided, however a **rogue employee** is not an Insured pursuant to this definition.

V. Insured Company

The **Named Insured** and any **subsidiary**.

W. Insurer

The insurance company stated on the Declarations Page.

X. Loss

All **damages**, **claim expenses**, **regulatory damages**, and **first party costs**.

Y. Loss of Business Income

Net income (net profit or net loss before income taxes) that could have reasonably been earned or net loss that could have reasonably been avoided, including the costs of retaining a forensic accountant to determine such amount. Such forensic accountant will be selected by the **Insurer**.

A loss of business income calculation is based upon the amount of actual loss of business income the **Insured Company** sustains per hour during the **period of restoration**.

Z. Management Control

1. Ownership interests representing more than fifty percent (50%) of the voting, appointment or designation power of a company for the selection of a majority of (i) the board of directors of a corporation, (ii) the management committee members of a joint venture or partnership, or (iii) the members of the management board of a limited liability company; or
2. The right, pursuant to written contract or the by-laws, charter, operating agreement or similar documents of an entity, to select, appoint or designate a majority of (i) the board of directors of a corporation, (ii) the management committee members of a joint venture or partnership, or (iii) the members of the management board of a limited liability company.

AA. Matter

The content of communication, including language, data, facts, fiction, music, photographs, images, artistic expression, or visual or graphical materials. Provided, however, matter does not include **technology products** or products or services described, illustrated or displayed in matter.

BB. Media Wrongful Act

Any of the following resulting from the [Insured](#) acquiring, blogging, broadcasting, collecting, disseminating, distributing, editing, exhibiting, gathering, obtaining, posting, producing, publishing, releasing, researching, recording, tweeting or uttering, [matter](#) through traditional and/or digital methods, including, cable television, radio, movie and music studios, public speaking, newspapers, magazines, books and print publications, website, apps, CD-ROMs and DVDs:

1. Libel, slander, or any other form of defamation or harm to the character or reputation of any person or entity, including product disparagement or trade libel;
2. Copyright infringement or misappropriation of property rights, information or ideas or dilution or infringement of title, slogan, trademark, trade dress, logo, trade name, service mark or service name;
3. Common law unfair competition or unfair trade practices alleged as a direct result of Definition IV.BB. Media Wrongful Act paragraph 1. and Definition IV.BB. Media Wrongful Act paragraph 2.;
4. Invasion or infringement of the right of privacy or publicity, including the torts of intrusion upon seclusion, publication of private facts, false light, and misappropriation of name or likeness;
5. Infliction of emotional distress or mental anguish;
6. False arrest, detention or imprisonment, harassment, trespass, wrongful entry or eviction, eavesdropping, or other invasion of the right of private occupancy; or
7. Plagiarism, piracy, or misappropriation of ideas under implied contract.

CC. Named Insured

The entity stated in Item 1. on the Declarations Page.

DD. Network

A connected system of computing hardware, software, firmware and associated electronic components and mobile devices, including industrial control systems and SCADA systems (Supervisory control and data acquisition systems) or other industrial IT, under the ownership, operation or control of, or leased by, an [Insured Company](#).

EE. Outsourced Provider

Any third party, including a cloud service provider, to which an [Insured](#) has contracted to provide a business process on behalf and for the benefit of an [Insured](#).

FF. Period of Restoration

1. Solely with respect to [loss of business income](#), that period of time that begins at the end of the [waiting period](#) and continues until the [Insured Company's](#) operations are restored to the condition that existed immediately prior to the [cyber security breach](#); and
2. Solely with respect to [extra expenses](#), that period of time that begins after a [cyber security breach](#) has directly caused a total or partial interruption or deterioration in the [Insured's](#) business operations and continues until the [Insured Company's](#) operations are restored to the condition that existed immediately prior to the [cyber security breach](#).

GG. Personally Identifiable Information

Information, whether printed or digital, encrypted or unencrypted, in the care, custody or control of an [Insured](#) or [outsourced provider](#), that alone or in conjunction can be used to uniquely identify an individual.

HH. Policy Period

The period of time stated in Item 2. on the Declarations Page, beginning on the effective date and expiring on the date of termination, expiration or cancellation of this Policy, whichever is earliest.

II. Pollutants

Any substance exhibiting any hazardous characteristics as defined by, or identified on a list of hazardous substances issued by the United States Environmental Protection Agency or any federal, state, county, municipal or local counterpart thereof or any foreign equivalent. Such substances include but are not limited to solids, liquids, gaseous or thermal irritants, contaminants or smoke, vapor, soot, fumes, acids, alkalis, chemicals or waste materials, nuclear materials, nuclear waste, asbestos, including materials to be recycled, reconditioned, or reclaimed. Pollutants shall also mean any air emission, odor, waste water, oil or oil products, lead or lead products, latex infectious or medical waste, noise, dust, fibers, germs, fungus (including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi) and electric or magnetic or electromagnetic field.

JJ. Privacy and Security Wrongful Act

Any:

1. Loss, theft or failure to protect, or unauthorized acquisition of [personally identifiable information](#), [protected health information](#), or [confidential business information](#);
2. Violation of any law, statute or regulation governing the authenticity, availability, confidentiality, storage, control, disclosure, integrity, or use of [personally identifiable information](#) or [protected health information](#);
3. Violation of a [data breach reporting requirement](#);
4. Failure to reasonably implement privacy or security practices required by law or regulations;
5. Failure to prevent a [cyber security breach](#) that results in:
 - (a) the inability of an authorized user to gain access to the [network](#);
 - (b) the malicious addition, alteration, copy, destruction, deletion, disclosure, damage, removal or theft of data residing on the [network](#); or
 - (c) the transmission of malware from the [network](#) to third parties; or
6. Failure to comply with the [Insured Company's](#) privacy policy and/or privacy notice.

KK. Privacy Regulatory Action

A written request for information, civil investigative demand or civil proceeding brought by or on behalf of a governmental or regulatory authority.

LL. Privacy Regulatory Fine

A civil monetary fine or penalty imposed on an [Insured Company](#) by a governmental or regulatory authority.

MM. Professional Services

The services stated in Item 5. on the Declarations Page.

NN. Professional Services Wrongful Act

1. Any of the following in rendering or failing to render [professional services](#):
 - (a) act, error, omission, neglect, negligent misrepresentation, or breach of duty;

- (b) injury to a person arising out of defamation, including libel, slander, or other defamatory or disparaging statements or materials; or
 - (c) infringement of an intellectual property right except as otherwise excluded in Exclusion V.L. Patent and Exclusion V.M. Trade Secrets; or
2. Failure of **professional services** to meet any applicable legal or industry standard concerning quality, safety, or fitness for a particular purpose.

OO. Protected Health Information

All protected and individually identifiable health information, whether printed or digital, encrypted or unencrypted, held or transmitted by an **Insured** or its business associate, as those terms are defined by HITECH, the Health Insurance Portability and Accountability Act of 1996 Privacy Rule or any amendment thereto, including the Health Information Technology for Economic and Clinical Health Act and final Omnibus Rule issued on January 17, 2013 or any equivalent foreign regulation.

PP. Regulatory Damages

Any **consumer redress amount** or **privacy regulatory fine**.

QQ. Related Loss

A **loss** that results or arises from the same, similar, or continuous **claim** or **first party incident**.

RR. Related Matter

- 1. A **third party wrongful act** that is the same, similar or arises from a continuous nexus of facts, circumstances, acts, errors or omissions, whether or not such **third party wrongful act** is logically or causally related or connected; or
- 2. A **first party incident** that is the same, similar, or arises from a continuous nexus of facts or circumstances, whether or not such **first party incident** is logically or causally related or connected.

SS. Retroactive Date

The applicable date, if any, stated in Item 3. on the Declarations Page for each Insuring Agreement in Section I.A. Third Party Liability Coverages.

TT. Rogue Employee

An employee of the **Insured Company** who deliberately acts outside the course and scope of employment and whose intentional conduct results in a **claim** or **first party incident**; provided, however, rogue employee does not include an **executive officer**.

UU. Sublimit

The applicable amount, if any, stated in Item 3. on the Declarations page for each Insuring Agreement within each **Coverage Section**.

VV. Subsidiary

- 1. Any entity over which the **Named Insured**, directly or indirectly, has or had **management control** through or by way of one or more subsidiaries on or before the effective date of the **policy period**;

2. Any entity in which the **Named Insured** acquires **management control** during the **policy period**, either directly or indirectly, whose gross revenue does not exceed fifteen percent (15%) of the gross revenue of the **Insured Company**; and
3. Any entity of which the **Named Insured** acquires **management control** during the **policy period**, either directly or indirectly, whose gross revenue exceeds fifteen percent (15%) of the gross revenue of the **Insured Company**:
 - (a) however, only for a period of sixty (60) days following the **Named Insured's** direct or indirect ability to exert **management control**; and
 - (b) after such sixty (60) day period if and only if the **Named Insured**: (1) provides the **Insurer** with full particulars of such entity; (2) agrees to remit any additional premium; (3) agrees to any amendments to the Policy relating to such entity and; (4) the **Insurer** agrees to add such entity as a subsidiary by a written agreement and/or endorsement to the Policy;

For purposes of this definition, revenue is measured by the most recent fiscal year prior to the effective date of the Policy.

Notwithstanding the foregoing, coverage afforded by this Policy will apply only to a **third party wrongful act** and a **first party incident** occurring on or after the effective date that the **Insured Company** has obtained **management control** of such subsidiary and prior to the time that such **Insured Company** ceased to have **management control** of such subsidiary unless: (1) The **Insurer** is notified in writing of such change in circumstances prior to the effective date thereof and agrees in writing to provide coverage for **third party wrongful acts** and **first party incidents** occurring on or after such effective date; and (2) The **Insured Company** accepts any special terms, conditions and exclusions and pays any additional premium charge required by the **Insurer**.

WW. Technology Wrongful Act

1. Any of the following in rendering or failing to render **technology services**:
 - (a) act, error, omission, neglect, negligent misrepresentation or breach of duty;
 - (b) injury to a person arising out of defamation, including libel, slander, or other defamatory or disparaging statements or materials;
 - (c) infringement of an intellectual property right except as otherwise excluded in Exclusion V.L. Patent and Exclusion V.M. Trade Secrets; or
2. Failure of **technology products** to perform the intended function or serve their intended purpose; or
3. Failure of **technology services** or **technology products** to meet any applicable legal or industry standard concerning quality, safety or fitness for a particular purpose.

XX. Technology Products

Computer or telecommunications hardware or software products, components or peripherals or electronic products or components, including software updates, service packs and other maintenance releases provided for such products:

1. Created, designed, distributed, manufactured, or sold by or on behalf and for the benefit of an **Insured**; or
2. Leased or licensed by an **Insured** to third parties.

YY. Technology Services

Any computer, cloud computing, information technology, telecommunication, electronic services and any related consulting and staffing services, including data processing, data and application hosting, the provision of managed services, software as a service (SaaS), platform as a service (PaaS), infrastructure as a service (IaaS), network as a service (NaaS), computer systems analysis, computer consulting and training, programming, computer systems installation, management, repair, and maintenance, network design and Internet service.

ZZ. Third Party Wrongful Act

A [technology wrongful act](#), [professional services wrongful act](#), [media wrongful act](#), or [privacy and security wrongful act](#).

AAA. Waiting Period

The number of hours stated in Item 3. on the Declarations page that must elapse prior to commencement of the [period of restoration](#).

V. Exclusions

The Policy does not apply to any **claim** or **first party incident** alleging, arising out of, based upon, or attributable to:

A. Deliberate Acts / Personal Profit

1. dishonest, intentional or knowing wrongful, fraudulent, criminal, or malicious acts, errors, or omissions or willful violations of law, including privacy laws or regulations, by an **Insured**, other than a **rogue employee**;
2. the gaining of any profit, remuneration, or financial or non-financial advantage to which the **Insured** is not entitled,

provided, however, the **Insurer** will provide the **Insured** with a defense of any otherwise covered **claim** and pay any otherwise covered **claim expenses** until there is a final, non-appealable judgment or adjudication in the underlying action or proceeding or a related declaratory judgment, as to such conduct, at which time the **Insured** shall reimburse the **Insurer** for all **claim expenses**. Notwithstanding the foregoing, criminal proceedings are not covered under the Policy regardless of the allegations made against an **Insured**.

For the purposes of determining the applicability of this exclusion, the knowledge or conduct of: (1) A natural person **Insured** will not be imputed to any other natural person **Insured**; and (2) An **executive officer** will be imputed to the **Insured Company**.

B. Bodily Injury and Property Damage

bodily injury, sickness, disease, emotional distress, mental injury, mental tension, mental anguish, pain and suffering, humiliation or shock sustained by any person, including death that results from any of these, or damage to or destruction of any tangible property, including **loss** of use thereof whether or not damaged or destroyed; provided, however, this exclusion will not apply to any otherwise covered **claim** for emotional distress, mental injury, mental tension or mental anguish, pain and suffering, humiliation or shock that directly results from a **third party wrongful act**. For the purposes of this exclusion, "tangible property" shall not include electronic data.

C. Owned Entity

claims made against the **Insured** if, at the time the **third party wrongful act** giving rise to such **claim** was committed:

1. The **Insured** controlled, owned, operated or managed the claimant; or
2. The **Insured** was an owner, partner, director or officer of the claimant;

For the purpose of this exclusion, a ten percent (10%) or more owner of the voting stock of a publicly held corporation, or a forty percent (40%) or more owner of the voting stock of a privately held corporation shall be deemed to control, own, operate or manage any such corporation making such **claim**.

D. Insured v. Insured

claims made against an **Insured** and brought by, or on behalf of an **Insured** or parent company, successor or assignee of an **Insured**; provided, however this exclusion shall not apply to:

1. An **Insured** under Definition IV.U. Insured paragraph 4.; and
2. An otherwise covered **claim** made by any past or present officer, director, member, principal, partner, trustee, employee or leased worker or temporary employee of the **Insured Company**:
 - (a) when the **claim** is made outside of their capacity and pursuant to their authority as such; or
 - (b) against an **Insured** alleging a **privacy and security wrongful act**.

E. Employment Practices

employment practices; provided, however, this exclusion shall not apply to an otherwise covered [claim](#) under insuring agreement I.A.4. Privacy and Cyber Security.

F. ERISA

breach of fiduciary duty, responsibility, or obligation in connection with any employee benefit or pension plan, including violations of the responsibilities, obligations or duties imposed upon fiduciaries by ERISA (Employee Retirement Income Security Act of 1974) or any analogous federal, state or local statutory or common law; provided, however, this exclusion shall not apply to an otherwise covered [claim](#) under insuring agreement I.A.4. Privacy and Cyber Security.

G. Securities

the purchase, sale, or offer or solicitation of an offer to purchase, sell or solicit securities or any violation of a securities law, including the Securities Act of 1933, the Securities Exchange Act of 1934, and any regulation promulgated under or pursuant to the foregoing, or any federal, state or local laws analogous to the foregoing (including "Blue Sky" laws), whether such law is statutory, regulatory, or common law.

H. RICO

violation of the Organized Crime Control Act of 1970 (commonly known as Racketeer Influenced and Corrupt Organizations Act, or "RICO") and any regulation promulgated under or pursuant to the foregoing or any federal, state or local law analogous to the foregoing, whether such law is statutory, regulatory, or common law.

I. Antitrust and Unfair Competition

antitrust violations, restraint of trade, price fixing, or unfair competition, including, but not limited to violations of The Sherman Antitrust Act, The Clayton Act, The Federal Trade Commission Act, the Robinson-Patman Act as amended, or any federal, state or local laws analogous to the foregoing; provided, however, this exclusion shall not apply to an otherwise covered [claim](#) under Insuring Agreement I.A.4. Privacy and Cyber Security or Insuring Agreement I.A.5. Privacy Regulatory Defense, Awards and Fines, or a [claim](#) under Definition IV.BB. Media Wrongful Act paragraph 3.

J. Consumer Protection and Deceptive Business Practices

1. unfair, deceptive or fraudulent business practices, including, but not limited to, violations consumer protection statutes and consumer fraud statutes; provided, however, this exclusion shall not apply to an otherwise covered [claim](#) under Insuring Agreement I.A.4. Privacy and Cyber Security or Insuring Agreement I.A.5. Privacy Regulatory Defense, Awards and Fines; and
2. any action brought under the Fair Credit Reporting Act or other analogous federal, state or local statute, law, regulation or common law.

K. Unsolicited Communications

unsolicited communications by or on behalf of an **Insured** to actual or prospective customers of an **Insured** or any other third party, including actions brought under the Telephone Consumer Protection Act, the CAN-SPAM Act of 2003 or other analogous federal, state or local statute, law, regulation or common law; provided, however, this exclusion shall not apply to an otherwise covered **claim** directly resulting from a **cyber security breach** under insuring agreement I.A.4. Privacy and Cyber Security or any **loss of business income** otherwise covered under insuring agreement I.B.1. Business Interruption and Extra Expenses.

L. Patent

actual or alleged infringement, misappropriation, dilution, misuse or inducement to infringe, misappropriate, dilute or misuse any patent or patent right.

M. Trade Secrets

actual or alleged misappropriation of trade secrets; provided, however, this exclusion shall not apply to an otherwise covered **claim** directly resulting from a **cyber security breach** under insuring agreement I.A.4. Privacy and Cyber Security.

N. Pollution

actual, alleged or threatened emission, discharge, dispersal, seepage, release or escape of **pollutants** or testing for, monitoring, removal, containment, treatment, detoxification, neutralization or cleanup of any **pollutants**.

O. Contractual

any obligation an **Insured** has under written contract; provided, however, this exclusion shall not apply to liability an **Insured** would have in the absence of a contract or an **Insured's**:

1. breach of an exclusivity or confidentiality provision contained in a written agreement;
2. violation of an intellectual property right except a violation of a patent right;
3. negligent performance of **technology services** or **professional services** for a client or customer;
4. provision of **technology products** to a client or customer which contain a material defect; or
5. breach of the **Insured's** privacy policy and/or privacy notice.

P. Force Majeure

fire, smoke, explosion, lightning, wind, water, flood, earthquake, volcanic eruption, tidal wave, landslide, hail, or act of God, however caused.

Q. War

strikes or similar labor action, war, whether declared or not, invasion, act of foreign enemy, civil war, mutiny, coup d'état, civil commotion assuming the proportions of or amounting to a popular rising, military rising, insurrection, rebellion, revolution, military or usurped power, or any action taken to hinder or defend against these actions; provided, however, this exclusion shall not apply to any actual, alleged or threatened attack against the **network**, with the intention to cause harm to further social, ideological, religious or political objectives or to intimidate any person or entity in furtherance of such objectives.

R. Infrastructure Failure

electrical, mechanical, Internet, telecommunication, cable or satellite failure, fluctuation or outage not under the operational control of the [Insured](#), however caused, including any electrical power interruption, short-circuit, surge, brownout or blackout.

S. Governmental Orders

any court order or demand requiring the [Insured](#) to provide law enforcement, any administrative, regulatory or judicial body or any other governmental authority access to [personally identifiable information](#), [protected health information](#), or [confidential business information](#).

T. Over-Redemption

price discounts, prizes, awards, coupons, or any other valuable consideration given in excess of the contracted or expected amount.

U. Unauthorized Collection and Use

the unauthorized or unlawful collection, acquisition or use of [personally identifiable information](#) or [protected health information](#) by the [Insured](#); provided, however, this exclusion shall not apply to a [claim](#) directly resulting from the acts of a [rogue employee](#).

VI. Notice

A. Notice of Circumstance

Solely with respect to Insuring Agreement I.A. Third Party Liability Coverages, if during the **policy period** or Extended Reporting Period (if applicable) as defined in Section VIII. Extended Reporting Period, an **Insured** first becomes aware of any circumstance that may reasonably be expected to be the basis of a **claim** being made against an **Insured**, and if during the **policy period**, the **Insured** elects to provide the **Insurer** written notice of such circumstance along with any **third party wrongful act**, and the reasons for anticipating such **claim**, with full particulars as to the dates, persons and entities involved, then any resulting **claim** which is subsequently made against an **Insured** and reported to the **Insurer** that arises out of such circumstance or **related matter** will be considered made at the time such notice of circumstance was provided. Notice of such circumstance should be reported to the **Insurer** as stated in Item 6. on the Declarations Page.

B. Notice of Claim and First Party Incident

As a condition precedent to the obligations of the **Insurer** under this Policy, the **Insured** must provide written notice to the **Insurer** as soon as reasonably practicable, but in no event, later than the end of the **policy period** or any applicable Extended Reporting Period of a:

1. **claim** first made against an **Insured** after an **executive officer** becomes aware of such **claim**; and
2. **first party incident** after an **executive officer** first discovers and/or becomes aware of such **first party incident**.

C. Notice to Whom

1. Notice of a **claim** and/or **first party incident** must be provided to the **Insurer** as stated in Item 6. on the Declarations Page.
2. In addition to the notice requirement above, notice of a **first party incident** may also be provided to the **Insurer** via the AXA XL Breach Hotline as stated in Item 7. on the Declarations Page. Notice to the AXA XL Breach Hotline alone will not serve as proper notice under this Policy.
3. The email/certified post mail shall be deemed effective when received by the **Insurer**.

D. When a Claim is Deemed Made

A **claim** will be deemed made pursuant to Definition IV.C. Claim paragraph 1. and Definition IV.C. Claim paragraph 3., on the earliest date an **executive officer** receives the first written demand; Definition IV.C. Claim paragraph 2., on the date of service; and Definition IV.C. Claim paragraph 4., on the date an **executive officer** receives written notice of such action.

E. Insured's Claim and First Party Incident Obligations

1. In connection with a:
 - (a) **claim**, the **Insured** will, as a condition precedent to the obligations of the **Insurer** under the Policy, provide the **Insurer** with all information that the **Insurer** reasonably requires, including full particulars as to the dates, persons and entities involved in the **claim** and the manner in which the **Insured** first became aware of the **claim**;

- (b) **first party incident**, the **Insured** will, as a condition precedent to the obligations of the **Insurer** under the Policy, provide the **Insurer** with all information that the **Insurer** reasonably requires, including full particulars as to the dates, persons and entities involved in the **first party incident** and the manner in which the **Insured** first became aware of the **first party incident**. Additionally, as a condition precedent to the obligations of the **Insurer** under the Policy, the **Insured Company** will provide the **Insurer** proof of **loss** with full particulars within three (3) months: after the first discovery by an **executive officer** of the **first party incident** (other than a **cyber-extortion threat**); or first occurrence of the **cyber-extortion threat**.

F. Assistance and Cooperation

1. The **Insured** will reasonably cooperate with the **Insurer** and upon request of the **Insurer**:
 - (a) assist the **Insurer** in the investigation of any **third party wrongful act** and **first party incident**;
 - (b) attend hearings, depositions and trials;
 - (c) assist the **Insurer** in defending and effecting settlements of **claims**;
 - (d) secure and provide evidence which includes, but is not limited to, obtaining the attendance of witnesses;
 - (e) allow the **Insurer** to participate in the handling and management of any suit or proceeding;
 - (f) assist the **Insurer** in enforcing any right, contribution or indemnity against a third party which may be liable to the **Insured**; and
 - (g) allow a computer forensics expert access to systems, files and information.
2. The **Insured** will take all reasonable steps to limit and mitigate any **loss** arising from any **third party wrongful act** or **first party incident** for which coverage may be or is sought under the Policy. The **Insured** will do nothing which in any way increases the **Insurer's** exposure under the Policy or in any way prejudices the **Insurer's** potential or actual rights of recovery. The **Insured** will not, except at the **Insured's** own cost, voluntarily make any payment, assume or admit any liability or incur any expense without the prior written consent of the **Insurer**.

VII. Cancellation and Non-Renewal

A. Cancellation by the Named Insured

Except for nonpayment of premium, as set forth below, the **Named Insured** has the exclusive right to cancel the Policy. Cancellation may be effected by mailing to the **Insurer** written notice stating when such cancellation will be effective. In such event, the **Insurer** will retain the pro-rata portion of earned premium.

B. Cancellation by the Insurer

The **Insurer** may only cancel this Policy for nonpayment of premium. The **Insurer** will provide not less than fifteen (15) days written notice stating the reason for cancellation and when the Policy will be canceled. Notice of cancellation will be sent to the **Named Insured**.

C. Non-Renewal of Coverage

The **Insurer** is under no obligation to renew the Policy upon its expiration. If the **Insurer** elects to non-renew the Policy, the **Insurer** will deliver or mail to the **Named Insured** written notice stating such at least ninety (90) days prior to the Policy's expiration date, as stated in Item 2. on the Declarations page. The offering of terms and conditions different from the expiring terms and conditions, including limits of liability, retention or premium, will not constitute a refusal to renew or a cancellation of the Policy.

VIII. Extended Reporting Period

A. Automatic Extended Reporting Period

The Automatic Extended Reporting Period applies solely to Insuring Agreements I.A. Third Party Liability Coverages. Effective upon the date of termination or cancellation of the Policy for any reason other than nonpayment of premium, the **Named Insured** will automatically be provided a period of sixty (60) days in which to give written notice to the **Insurer** of **claims** first made against the **Insured** during the **policy period** or the Automatic Extended Reporting Period for **third party wrongful acts** committed by an **Insured** after the **retroactive date** and prior to the end of the **policy period**.

B. Optional Extended Reporting Period

The Optional Extended Reporting Period applies solely to Insuring Agreements I.A. Third Party Liability Coverages. Effective upon the date of termination or cancellation of the Policy for any reason other than nonpayment of premium, the **Named Insured** will have the right to purchase an Optional Extended Reporting Period of one (1), two (2), three (3), or six (6) years. Such right must be exercised by the **Named Insured** within sixty (60) days of the date of termination or cancellation of the Policy by providing written notice to the **Insurer** and remitting the amount of additional premium described below in which to provide written notice to the **Insurer** of a **claim** first made against the **Insured** during the Optional Extended Reporting Period for a **third party wrongful act** committed by an **Insured** after the **retroactive date** and prior to the end of the **policy period**.

The additional premium for the Optional Extended Reporting Period will be for:

1. One (1) year, one hundred percent (100%) of the policy annual premium;
2. Two (2) years, one hundred fifty percent (150%) of the policy annual premium;
3. Three (3) years, one hundred seventy-five percent (175%) of the policy annual premium; or
4. Six (6) years, two hundred fifty percent (250%) of the policy annual premium.

C. Application of Extended Reporting Period

1. The Automatic Extended Reporting Period and the Optional Extended Reporting Period cannot be canceled and any additional premium charged for the Optional Extended Reporting Period will be fully earned at inception.
2. The first sixty (60) days of the Optional Extended Reporting Period, if purchased, will run concurrently with the Automatic Extended Reporting Period.
3. The limit of liability of the **Insurer** under the Automatic Extended Reporting Period and the Optional Extended Reported Period will be part of and not in addition to the limits of liability for the Policy.

IX. Conditions

A. Change in Control

If, during the **policy period**, the **Named Insured** consolidates with, merges into, or sells all or substantially all of its assets to another entity, or if any entity acquires **management control** of the **Named Insured**, then the Policy will remain in full force but only with respect to a **third party wrongful act** and **first party incident** (other than a **cyber-extortion threat**) involving the **Named Insured** that occurred prior to the date of the consolidation, merger, sale or acquisition of **management control**; provided, however, coverage will remain in force for a **third party wrongful act** and **first party incident** (other than a **cyber-extortion threat**) first discovered and for a **cyber-extortion threat** first occurring subsequent to the date of the consolidation, merger, sale or acquisition of **management control**, if within thirty (30) days of the takeover effective date (1) the **Insurer** receives written notice containing full details of the transaction, (2) the **Named Insured** accepts all Policy amendments required by the **Insurer**, including the addition of special terms, conditions and exclusions, and (3) the **Named Insured** pays any additional premium charge.

The above provision may be waived in writing by the **Insurer**.

B. Action Against the Insurer

No action may be brought against the **Insurer** unless, as a condition precedent thereto, (1) the **Insured** has fully complied with all of the terms, conditions and other provisions of the Policy, and (2) the amount of the **Insured's** obligation to pay has been finally determined, either by judgment against the **Insured** after a trial and appeal or by written agreement by the claimant, **Insured**, and **Insurer**.

No person or entity will have the right under the Policy to (1) join the **Insurer** or its agents and representatives as a defendant, co-defendant or other party in any action against the **Insured** to determine the **Insured's** liability or (2) implead the **Insurer** or its agents and representatives in any such action.

C. Bankruptcy

Bankruptcy or insolvency of the **Named Insured** will not relieve the **Insurer** of any of its obligations hereunder.

D. Other Insurance

This Policy is excess over any other valid and collectible insurance, whether prior or contemporaneous, unless such other insurance is expressly written to be excess of this Policy.

E. Subrogation

In the event of payment of **loss** by the **Insurer** under the Policy, the **Insurer** is subrogated to all of the **Insured's** rights of recovery against any person or entity to the extent of such payment. The **Insured** warrants and agrees to execute and deliver instruments and papers and do whatever else is required by the **Insurer** to secure, prosecute and collect on such rights. The **Insured** further warrants and agrees not to prejudice such rights.

If, prior to a **claim** being made, the **Insured Company** has waived its rights to recovery against a person or entity in any written contract or agreement, then the **Insurer** will waive its rights to subrogation against such person or entity to the same extent as the **Insured Company's** waiver.

F. Territory

The Policy applies to a **third party wrongful act** and **first party incident** occurring and **claim** made anywhere in the world other than any country barred by the Office of Foreign Assets Control (OFAC).

G. Representation Clause

In issuing the Policy, the **Insurer** has relied upon the **application**. The **Insured** warrants that the content of the materials provided to the **Insurer** are true, accurate and complete and are material to the **Insurer's** acceptance of the risk to which the Policy applies. Any material misrepresentation, concealment or misstatement by the **Insured** will render the Policy null and void with respect to any natural person **Insured** who knew of such material misrepresentation, concealment or misstatement, and with respect to the **Insured Company** if an **executive officer** knew of such material misrepresentation, concealment or misstatement, and will relieve the **Insurer** from all obligations and liability herein with regard to said **Insured** parties.

H. Named Insured Sole Agent

The **Named Insured** will be the sole agent and will act on behalf of any **Insured** for the purpose of:

1. Providing and/or receiving notices, amendments to or cancelling of the Policy;
2. Completing the **application**;
3. Making statements, representations and warranties;
4. Remitting premium and receiving the return premium that may become due;
5. Paying the retention; and
6. Exercising or declining to exercise any right under the Policy.

I. Policy Changes

Notice to any agent of the **Insurer** or knowledge possessed by any such agent or by any other person will not affect a waiver or a change in any part of the Policy, and will not prevent or preclude the **Insurer** from asserting or invoking any right under or provision of the Policy. None of the provisions of the Policy will be waived, changed or modified except by a written agreement and/or endorsement issued by the **Insurer** to form a part of the Policy.

J. Assignment

The **Insured** may not assign any rights, remedies, privileges or protections under the Policy. Notwithstanding the foregoing, any such assignment shall be invalid unless the **Insurer's** written consent is endorsed thereon.

K. Alternative Dispute Resolution

Any dispute arising out of or relating to the Policy, including its construction, application and validity, or any breach thereof, will first be submitted to non-binding mediation administered by a mediation facility to which the **Insurer** and the **Insured** mutually agree. The **Insured** and the **Insurer** will attempt in good faith to settle the dispute in accordance with the commercial mediation rules of the American Arbitration Association ('AAA') in effect at the time of the dispute. No award of punitive damages will be made in any such mediation. Each party will bear its own fees and costs in connection with any such mediation. However, the costs incurred through the mediation facility, including the fees and expenses of the mediator, will be shared equally by the parties unless the mediation award provides otherwise. All mediation proceedings will be held in a state in the United States where either the **Named Insured** or the **Insurer** has its principal place of business, at the election of the party commencing mediation.

In the event such non-binding mediation does not result in a settlement of the dispute, either party has the right:

1. To commence a judicial proceeding; or
2. With consent of the other party, to commence an arbitration proceeding in accordance with the commercial arbitration rules of AAA in effect at the time of dispute. The decision of the arbitrator(s) will be final and binding and any award may be confirmed and enforced in a court of competent jurisdiction.

L. Estates, Heirs, Legal Representatives and Domestic Partners

The estate, heir, legal representative and any **domestic partner** of a natural person **Insured** shall be considered insured under this Policy; provided, however, coverage is afforded to such estate, heir, legal representative and **domestic partner** only for a **claim** arising solely out of their status as such and, in the case of a **domestic partner**, where such **claim** seeks **damages** from marital community property, jointly held property or property transferred from such **Insured** to the **domestic partner**. No coverage is provided for any act, error or omission of an estate, heir, legal representative or **domestic partner**. All terms and conditions of this Policy, including the retention applicable to **damages** or **claim expenses** incurred by the **Insured**, shall also apply to **damages** and **claim expenses** incurred by such estate, heir, legal representative, and **domestic partner**.

IN WITNESS

INDIAN HARBOR INSURANCE COMPANY

REGULATORY OFFICE
505 EAGLEVIEW BOULEVARD, SUITE 100
DEPARTMENT: REGULATORY
EXTON, PA 19341-1120
PHONE: 800-688-1840

It is hereby agreed and understood that the following In Witness Clause supercedes any and all other In Witness clauses in this policy.

All other provisions remain unchanged.

IN WITNESS WHEREOF, the Company has caused this policy to be executed and attested, and, if required by state law, this policy shall not be valid unless countersigned by a duly authorized representative of the Company.



Lucy Pilko
President



Toni Ann Perkins
Secretary

CyberRiskConnect

Privacy, Security and Technology Insurance

Endorsement #001

This endorsement:
effective 12:01 a.m., January 1, 2025,
forms a part of Policy No. _____,
issued to NEW MEXICO COUNTY INSURANCE AUTHORITY,
by Indian Harbor Insurance Company.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LONG NAMED INSURED ENDORSEMENT

In consideration of the premium charged, it is agreed that Item 1. Named Insured on the Declarations of the Policy is deleted in its entirety and replaced with the following:

ITEM 1. NAMED INSURED	
Named Insured	Bernalillo County Catron County Chaves County Cibola County Colfax County Curry County De Baca County Dona Ana County Eddy County Grant County Guadalupe County Harding County Hidalgo County Lincoln County Los Alamos Luna County McKinley County Mora County Otero County Quay County Roosevelt County Sandoval County San Miguel County Santa Fe County

CyberRiskConnect

Privacy, Security and Technology Insurance



Sierra County
Socorro County
Taos County
Torrance County
Union County
Valencia County

All other terms and conditions of this Policy shall remain the same.

CyberRiskConnect

Privacy, Security and Technology Insurance

Endorsement #002

This endorsement:
effective 12:01 a.m., January 1, 2025,
forms a part of Policy No. _____,
issued to NEW MEXICO COUNTY INSURANCE AUTHORITY,
by Indian Harbor Insurance Company.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPECIFIED ENTITY EXCLUSION

In consideration of the premium charged, it is agreed that Section V. Exclusions is amended to include the following new exclusion:

Specified Entity

Any **first party incident** or **third party wrongful act** committed or allegedly committed by any of the entity (ies) scheduled below (hereinafter "Scheduled Entity(ies)"), or any natural person **Insured** employed by or affiliated with the Scheduled Entity(ies):

Scheduled Entity(ies):

New Mexico Association of Counties

All other terms and conditions of this Policy shall remain the same.

CyberRiskConnect

Privacy, Security and Technology Insurance

Endorsement #003

This endorsement:
effective 12:01 a.m., January 1, 2025,
forms a part of Policy No. _____,
issued to NEW MEXICO COUNTY INSURANCE AUTHORITY,
by Indian Harbor Insurance Company.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DEPENDENT BUSINESS INTERRUPTION COVERAGE ENDORSEMENT

In consideration of the premium charged, it is agreed that:

1. Section I.B. First Party Coverages is amended to include the following Insuring Agreements:

Dependent Business Interruption.

The Insurer will pay or reimburse the Insured for dependent business interruption loss.

2. Item 3. Coverage Schedule of the Declaration Page is amended to include the following:

FIRST PARTY COVERAGE ENHANCEMENTS		Limit	Waiting Period
Dependent Business Interruption	Loss of Business Income	\$ 2,000,000	18 Hours
	Extra Expense	\$ 2,000,000	Retention \$ 250,000

3. Section IV. Definitions is amended to include the following definition:

Dependent Business

Any entity the Insured relies on to conduct operations pursuant to a written contract.

Dependent Business Interruption Loss

a) loss of business income after the waiting period;

b) extra expenses in excess of the applicable retention,

during the period of restoration that the Insured incurs resulting from a cyber security breach to a dependent business directly causing a total or partial interruption or deterioration in the Insured's business operations.

CyberRiskConnect

Privacy, Security and Technology Insurance

Dependent Business Interruption Loss does not mean:

- a) loss of market share or other consequential loss;
- b) loss arising out of liability to any third party;
- c) legal expenses;
- d) loss incurred as a result of unfavorable business conditions.

4. Solely for purposes of this endorsement, Section IV. Definitions DD. Network is deleted and replaced as follows:

Network

A connected system of computing hardware, software, firmware and associated electronic components and mobile devices, including industrial control systems and SCADA systems (Supervisory control and data acquisition systems) or other industrial IT, under the ownership, operation or control of, or leased by, a [dependent business](#).

All other terms and conditions of this Policy shall remain the same.

CyberRiskConnect

Privacy, Security and Technology Insurance

Endorsement #004

This endorsement:
 effective 12:01 a.m., January 1, 2025,
 forms a part of Policy No. _____,
 issued to NEW MEXICO COUNTY INSURANCE AUTHORITY,
 by Indian Harbor Insurance Company.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DEPENDENT BUSINESS INTERRUPTION – SYSTEM FAILURE COVERAGE ENDORSEMENT

In consideration of the premium charged, it is agreed that:

- Section I.B. First Party Coverages is amended to include the following Insuring Agreements:
 Dependent Business Interruption – System Failure
 The **Insurer** will pay or reimburse the **Insured** for **system failure dependent business interruption loss**.

- Item 3. Coverage Schedule of the Declaration Page is amended to include the following:

FIRST PARTY COVERAGES		SUBLIMIT	WAITING PERIOD
Dependent Business Interruption System Failure	Loss of Business Income	\$ 1,000,000	18 Hours
	Extra Expense		RETENTION
		\$ 1,000,000	\$ 250,000

- Section IV. Definitions, is amended to include the following definition:

Dependent Business

Any entity the **Insured** relies on to conduct operations pursuant to a written contract.

System Failure Dependent Business Interruption Loss

- loss of business income** after the **waiting period**;
- extra expenses** in excess of the applicable retention,

during the **period of restoration** that the **Insured** incurs resulting from a **system failure** to a **dependent business** directly causing a total or partial interruption or deterioration in the **Insured's** business operations.

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System Failure Dependent Business Interruption Loss does not mean:

- a) loss of market share or other consequential loss;
- b) loss arising out of liability to any third party;
- c) legal expenses;
- d) loss incurred as a result of unfavorable business conditions.

System Failure

Any unintentional and unplanned outage or failure of the [network](#).

4. Solely for purposes of this endorsement, Section IV. Definitions, Item DD. Network is deleted and replaced as follows:

DD. Network

A connected system of computing hardware, software, firmware and associated electronic components and mobile devices, including industrial control systems and SCADA systems (Supervisory control and data acquisition systems) or other industrial IT, under the ownership, operation or control of, or leased by, a [dependent business](#).

All other terms and conditions of this Policy shall remain the same.

CyberRiskConnect

Privacy, Security and Technology Insurance

Endorsement #005

This endorsement:
effective 12:01 a.m., January 1, 2025,
forms a part of Policy No.
issued to NEW MEXICO COUNTY INSURANCE AUTHORITY,
by Indian Harbor Insurance Company.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SYSTEM FAILURE COVERAGE ENDORSEMENT

In consideration of the premium charged, it is agreed that:

1. Section I.B. First Party Coverages is amended to include the following Insuring Agreement:

System Failure

The Insurer will pay or reimburse the Insured for:

- a) loss of business income after the waiting period;
- b) extra expenses in excess of the applicable retention,
during the period of restoration that the Insured incurs resulting from a system failure directly causing a total or partial interruption or deterioration in the Insured's business operations.

2. Item 3. Coverage Schedule of the Declaration Page is amended to include the following:

FIRST PARTY COVERAGE ENHANCEMENTS		Limit	Waiting Period
System Failure	Loss of Business Income	\$ 2,000,000	18 Hours
	Extra Expense	\$ 2,000,000	Retention \$ 250,000

3. Section IV. Definitions is amended by adding the following new definition:

System Failure

Any unintentional and unplanned outage or failure of the network.

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4. Solely with respect to the coverage provided by this endorsement, Section IV. Definitions is amended by deleting and replacing the following definitions:

First Party Costs

Any [loss of business income](#), [extra expenses](#), [data recovery expenses](#), [cyber-extortion expenses](#), [data breach response and crisis management costs](#), and [system failure losses](#).

First Party Costs do not include any amounts incurred prior to the [Insured](#) providing notice of the [first party incident](#).

First Party Incident

A [cyber security breach](#), [cyber-extortion threat](#), [data breach](#) or [system failure](#).

Period of Restoration

1. Solely with respect to [loss of business income](#), that period of time that begins at the end of the waiting period and continues until the [Insured Company's](#) operations are restored to the condition that existed immediately prior to the [cyber security breach](#) or [system failure](#); and
 2. Solely with respect to [extra expenses](#), that period of time that begins after a [cyber security breach](#) or [system failure](#) has directly caused a total or partial interruption or deterioration in the [Insured's](#) business operations and continues until the [Insured Company's](#) operations are restored to the condition that existed immediately prior to the [cyber security breach](#) or [system failure](#).
5. Solely for purposes of this endorsement, the following new definition is added:

System Failure Losses

[Loss of business income](#) and [extra expense](#)

System failure losses do not include losses arising out of a loss of market share or any other consequential loss and any losses incurred by the [Insured](#) to upgrade, enhance, or replace the [network](#) to a condition beyond that which existed immediately prior to sustaining a [system failure](#).

All other terms and conditions of this Policy shall remain the same.

CyberRiskConnect

Privacy, Security and Technology Insurance

Endorsement #006

This endorsement:
effective 12:01 a.m., January 1, 2025,
forms a part of Policy No.
issued to NEW MEXICO COUNTY INSURANCE AUTHORITY,
by Indian Harbor Insurance Company.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PCI DSS COVERAGE AMENDATORY ENDORSEMENT

In consideration of the premium charged, it is agreed that:

1. Section I.A. Third Party Liability Coverages is amended to include the following Insuring Agreement:

PCI DSS Coverage

The Insurer will reimburse the Insured for PCI DSS fines and costs in excess of the applicable retention that the Insured is legally obligated to pay as the result of a claim first made against the Insured during the Policy Period or Extended Reporting Period (if applicable) alleging a PCI DSS wrongful act committed by the Insured, a rogue employee, an outsourced provider, or by a third party for whose PCI DSS wrongful act an Insured is legally responsible.

2. Item 3. Coverage Schedule of the Declaration Page is amended to include the following:

THIRD PARTY LIABILITY COVERAGES	Limit	Retention	RetroDate
PCI DSS	\$ 1,000,000	\$ 250,000	Full Prior Acts

3. Section IV. Definitions, is amended to include the following new definitions:

Merchant Services Agreement

An agreement between the Insured and a financial institution, credit/debit card company, credit/debit card processor or Independent service operator enabling the Insured to accept credit card, debit card, prepaid card, or other payment cards for payments or donations.

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PCI DSS Fines and Costs

Fines, penalties, assessments, fraud recovery and operational expense recovery that the **Insured** is contractually obligated to pay under its **Merchant Services Agreement(s)** as the result of a **PCI DSS wrongful act**. Provided, however, **PCI DSS fines and costs** does not mean interchange fees, discount fees or prospective service fees.

PCI DSS Wrongful Act

Any actual or alleged **cyber security breach** or **privacy and security wrongful act** resulting in the unauthorized acquisition of cardholder data as defined under PCI-DSS.

4. Section IV. Definitions, is amended by deleting and replacing the following terms:

Loss

All **Damages, Claim Expenses, Regulatory Damages, First Party Costs** and **PCI DSS fines and costs**.

Third Party Wrongful Act

A **technology wrongful act, professional services wrongful act, media wrongful act, privacy and security wrongful act** and **PCI DSS wrongful act**.

5. Section V. Exclusions, O. Contractual is deleted and replaced as follows:

O. Contractual

any obligation an **Insured** has underwritten contract; provided, however, this exclusion shall not apply to liability an **Insured** would have in the absence of a contract or an **Insured's**:

1. breach of an exclusivity or confidentiality provision contained in a written agreement;
2. violation of an intellectual property right except a violation of a patent right;
3. negligent performance of technology services or professional services for a client or customer;
4. provision of technology products to a client or customer which contain a material defect;
5. breach of the Insured's privacy policy and/or privacy notice; or
6. obligation to indemnify, reimburse or compensate pursuant to a Merchant Services Agreement

All other terms and conditions of this Policy shall remain the same.

ENDORSEMENT #007

This endorsement, effective 12:01 a.m., January 1, 2025 forms a part of Policy No. NEW MEXICO COUNTY INSURANCE AUTHORITY by Indian Harbor Insurance Company.

issued to

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CERTIFIED ACTS OF TERRORISM COVERAGE AND PREMIUM DISCLOSURE

This endorsement modifies insurance provided under the following:

CyberRiskConnect

Coverage for “certified acts of terrorism” for the types of insurance subject to the Terrorism Risk Insurance Act is already included in your current Policy. “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” include 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.

You are hereby notified that if aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion.

Under your existing coverage, any losses resulting from “certified acts of terrorism” may be partially reimbursed by the United States Government under a formula established by federal law. Under this formula, the United States Government generally reimburses 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. However, your policy may contain other exclusions that may affect your coverage. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of terrorism exclusion, do not serve to create coverage for any loss that is otherwise excluded under this Policy.

The portion of your annual premium that is attributable to coverage for “certified acts of terrorism” is: \$ [waived](#). Any premium waiver is only valid for the current Policy Period.

All other terms and conditions of this Policy remain unchanged.

Endorsement #008

This endorsement:
effective 12:01 a.m., January 1, 2025,
forms a part of Policy No.
issued to NEW MEXICO COUNTY INSURANCE AUTHORITY,
by Indian Harbor Insurance Company.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIMIT OF LIABILITY AND RETENTION AMENDATORY ENDORSEMENT - LIMITS AND RETENTION PER NAMED INSURED FOR RELATED MATTERS AND RELATED LOSSES

In consideration of the premium charged, it is agreed that Section III. Limit of Liability and Retention, Item C. is amended to include the following at the end:

With respect to C. 1., 2. and 3. above, it is agreed that each separate **Named Insured** listed in Item 1. of the Declarations is entitled to its own limits of liability for any covered **claim** arising from a **Related Matter** or **Related Loss** that affects more than one **Named Insured** with each limit subject to the per-**claim** limit and retention applicable to that **Named Insured** listed in the Declarations. Payments made under this provision are part of, and not in addition to, this Policy's Aggregate Limit of Liability and will in no way serve to increase or supplement such limit of liability. All payments made under this provision will reduce the Aggregate Limit of Liability.

All other terms and conditions of this Policy shall remain the same.

Endorsement #009

This endorsement:
effective 12:01 a.m., January 1, 2025,
forms a part of Policy No.
issued to NEW MEXICO COUNTY INSURANCE AUTHORITY,
by Indian Harbor Insurance Company.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CONSEQUENTIAL REPUTATIONAL LOSS ENDORSEMENT

In consideration of the premium charged, it is agreed that:

1. Section I.B. First Party Coverages is amended to include the following Insuring Agreement:

Consequential Reputational Loss

The Insurer will pay the Insured for consequential reputational loss that the Insured incurs resulting from adverse publicity after the waiting period during the period of indemnity.

2. Item 3. Coverage Schedule of the Declaration Page is amended to include the following:

First Party Coverage	Limit	Period of Indemnity	Waiting Period
Consequential Reputational Loss	\$1,000,000	6 months	2 weeks

3. Section IV. Definitions is amended by adding the following new definitions:

- Consequential Reputational Loss

Net Income (Net Profit before income taxes) that would have been earned by the Insured but for adverse publicity.

Consequential Reputational Loss does not include:

1. amounts arising out of liability to a third party for any reason;
2. legal costs or legal expenses of any type;
3. any internal salary, costs or overhead expenses of the Insured Company

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- Adverse Publicity

The public dissemination in the media of an actual or alleged **cyber security breach** or **data breach** which damages the **Insured's** brand, reputation, or customer trust

- Period of Indemnity

The amount of time stated in Item 3. Coverage Schedule of the Declarations Page as amended above.

4. Solely as respects the coverage afforded by this endorsement, Section IV. Definitions, Item S. First Party Costs is amended to include **consequential reputational loss**.
5. Solely applicable to the coverage provided by this endorsement, Section IV. Definitions, Item AAA. Waiting Period is deleted and replaced as follows:

AAA. Waiting Period

The amount of time stated in Item 3. Coverage Schedule of the Declarations Page as amended above.

All other terms and conditions of this Policy shall remain the same.

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Privacy, Security and Technology Insurance

Endorsement #010

This endorsement:
effective 12:01 a.m., January 1, 2025,
forms a part of Policy No.
issued to NEW MEXICO COUNTY INSURANCE AUTHORITY,
by Indian Harbor Insurance Company.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BRICKING COVERAGE ENDORSEMENT

In consideration of the premium charged, it is agreed that:

1. Section I.B. First Party Coverages is amended to include the following Insuring Agreement:

Bricking

The Insurer will pay the Insured Company, in excess of the applicable retention, for hardware replacement costs that the Insured incurs resulting from a bricking incident.

2. Item 3. Coverage Schedule of the Declaration Page is amended to include the following:

FIRST PARTY COVERAGE	Limit	Retention
Bricking	\$1,000,000	\$250,000

3. Section IV. Definitions is amended as follows:

- The following new definitions are added:

Bricking Incident

A cyber security breach that renders a computer device or Internet of Things Device (“IoT device”) non-functional for its intended purpose, if and only if, after reasonable efforts have been made, such device cannot be restored to the level of functionality that existed immediately preceding the cyber security breach.

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Hardware Replacement Costs

Reasonable and necessary costs to replace a [computer device](#) or [IoT device](#) with identical or commercially equivalent items that perform the same function.

IoT Device

Any nonstandard [computer device](#) that connects electronically to a network and has the ability to transmit data.

Computer Device

Desktop and laptop computers, associated input and output devices, mobile devices, data storage devices, networking equipment and back up facilities.

- Solely with respect to the coverage afforded by this endorsement, Definition S. First Party Costs is amended as follows:

First Party Costs

Any [loss of business income](#), [extra expenses](#), [data recovery expenses](#), [cyber-extortion expenses](#), [data breach response](#) and [crisis management costs and hardware replacement costs](#).

First Party Costs do not include any amounts incurred prior to the [Insured](#) providing notice of the [first party incident](#).

- Solely with respect to the coverage afforded by this endorsement, Definition T. First Party Incident is amended as follows:

First Party Incident

A [cyber security breach](#), [cyber-extortion threat](#), [data breach](#) or [bricking incident](#).

4. Solely with respect to the coverage afforded by this endorsement, Section V. Exclusions is amended as follows:

- Item B. Bodily Injury and Property Damage is deleted in its entirety and replaced with the following:

Bodily Injury and Property Damage

bodily injury, sickness, disease, emotional distress, mental injury, mental tension, mental anguish, pain and suffering, humiliation or shock sustained by any person, including death that results from any of these, or damage to or destruction of any tangible property, including loss of use thereof whether or not damaged or destroyed; provided, however, damage to or destruction of any tangible property does not include the loss of use of computer hardware resulting from a [bricking incident](#). For purposes of this definition, “tangible property” shall not include electronic data.

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5. Section IX. Conditions is amended to include the following new section:

Valuation

Adjustment of loss under this endorsement will be computed as of the date of loss at the place of the loss, and for no more than the interest of the [Insured](#). The adjustment of loss to [computer device](#) or [IoT device](#) will subject to the lesser of the following:

1. The cost to repair; and
2. The cost to replace a computer device or IoT device with equipment that is the most functionally equivalent even if such equipment:
 - a. has technological advantages;
 - b. represents an improvement in function; or
 - c. forms part of a program or system enhancement.

All other terms and conditions of this Policy shall remain the same.

Endorsement #011

This endorsement:
effective 12:01 a.m., January 1, 2025,
forms a part of Policy No.
issued to NEW MEXICO COUNTY INSURANCE AUTHORITY,
by Indian Harbor Insurance Company.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

VOLUNTARY SHUTDOWN - AMENDED BUSINESS INTERRUPTION AND EXTRA EXPENSES ENDORSEMENT

In consideration of the premium charged, it is agreed that Section I. B. 1. is deleted in its entirety and replaced with the following:

1. Business Interruption and Extra Expenses

The Insurer will pay or reimburse the Insured for:

- (a) loss of business income after the waiting period; and
- (b) extra expenses in excess of the applicable retention,

during the period of restoration that the Insured incurs resulting from:

- (1) a cyber security breach directly causing a total or partial interruption or deterioration in the Insured's business operations; or
- (2) the voluntary and intentional shutdown of the network:
 - a. ordered by an executive officer of the Insured Company who is authorized to make such an order, due to the executive officer's reasonable belief that such shutdown would limit the financial impact of a cyber security breach; or
 - b. ordered by any federal, state, local or foreign governmental entity in such entity's regulatory or official capacity, due to a cyber security breach,

where such shutdown directly causes a total or partial interruption or deterioration in the Insured's business operations. Provided, however, the Insurer's maximum limit of liability applicable to a voluntary and intentional shutdown of the network as outlined above shall be \$1,000,000 which is part of, and not in addition to, the Business Interruption and Extra Expense Limit as outlined in Item 3. of the Coverage Schedule of the Declarations of this Policy.

All other terms and conditions of this Policy shall remain the same.

CyberRiskConnect

Privacy, Security and Technology Insurance

Endorsement #012

This endorsement:
effective 12:01 a.m., January 1, 2025,
forms a part of Policy No.
issued to NEW MEXICO COUNTY INSURANCE AUTHORITY,
by Indian Harbor Insurance Company.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

UTILITY FRAUD ENDORSEMENT

In consideration of the premium charged, it is agreed that:

- I. Item 3. Coverage Schedule of the Declarations is amended by adding the new Aggregate Limit of Liability, Insuring Agreements, Sublimits, and Retentions as indicated below:

FIRST PARTY COVERAGES	Aggregate Limit of Liability	
Utility Fraud Endorsement		\$ 100,000
	Sublimit	Retention
Crypto-Jacking	\$ 100,000	\$ 250,000
Telecommunications Fraud	\$ 100,000	\$ 250,000

- II. Section I. Item B. First Party Coverages is amended to include the following new coverages:

- 4. Crypto-Jacking

The Insurer will pay or reimburse the Insured Company for utility fraud loss in excess of the applicable retention that the Insured incurs directly resulting from a crypto-jacking event, provided that such crypto-jacking event is first discovered by an Insured during the policy period.

- 5. Telecommunications Fraud

The Insurer will pay or reimburse the Insured Company for utility fraud loss in excess of the applicable retention that the Insured incurs directly resulting from a telecommunications fraud event, provided that such telecommunications fraud event is first discovered by an Insured during the policy period.

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III. Section IV. Definitions is amended to include the following new defined terms:

Crypto-Jacking Event

Any unauthorized access to, use or misuse of, and/or modification to the **network** by cyber-attacks perpetrated by a third party or **rogue employee** through any electronic means, including malware, viruses, worms, and Trojan horses, spyware and adware, zero-day attacks, hacker attacks and denial of service attacks, for the purpose of mining cryptocurrency that directly results in an **utility fraud loss** incurred by the **Insured Company**.

Telecommunications Fraud Event

Any unauthorized access to, use or misuse of, and/or modification to the **Insured Company's** telephone system by cyber-attacks perpetrated by a third party or **rogue employee** through any electronic means, including malware, viruses, worms, and Trojan horses, spyware and adware, zero-day attacks, hacker attacks and denial of service attacks, which directly results in an **utility fraud loss** incurred by the **Insured Company** in the form of long-distance telephone charges.

Utility Fraud Loss

An increase in service charges or fees incurred by the **Insured Company** resulting from the unauthorized use of any of the following utilities services:

1. electricity;
2. natural gas;
3. oil;
4. water;
5. internet access, including mobile data;
6. cable or satellite television; or
7. telephone.

provided, however, that such additional charges or fees for the utilities services are:

1. incurred pursuant to a written contract between the **Insured Company** and the respective utility provider, which was executed before the **crypto-jacking event** or **telecommunications fraud event** first occurred;
2. charged to the **Insured Company** in a periodic billing statement issued by the respective utility provider, which includes usage or consumption information; and
3. not charged at a flat fee to the **Insured Company** that does not scale with the rate or use of the respective utilities service or resource.

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IV. Section IV. Definitions is amended by deleting and replacing the following definitions:

First Party Costs

Any [loss of business income](#), [extra expense](#), [data recovery expenses](#), [cyber-extortion expenses](#), [data breach response and crisis management costs](#), and [utility fraud loss](#).

Except with respect to [utility fraud loss](#), [first party costs](#) do not include any amounts incurred prior to the [Insured](#) providing notice of the [first party incident](#).

First Party Incident

A [cyber security breach](#), [cyber-extortion threat](#), [data breach](#), [crypto-jacking event](#) or [telecommunications fraud event](#).

V. Solely with respect to the coverage provided by this Endorsement, Section V. Item R. is deleted and replaced as follows:

Infrastructure Failure

electrical, mechanical, Internet, telecommunication, cable or satellite failure, fluctuation or outage not under the operational control of the [Insured](#), however caused, including any electrical power interruption, short-circuit, surge, brownout or blackout; provided, however, this exclusion shall not apply to a [telecommunications fraud event](#).

VI. Solely with respect to the coverage provided by this Endorsement, Section IX. Item D. Other Insurance is deleted and replaced as follows:

Coverage provided under this Utility Fraud Endorsement is excess to the coverage provided by any crime insurance policy; provided, however, notwithstanding the foregoing or anything in this Policy to the contrary, the [Insurer](#) will recognize erosion of the Retention applicable to Utility Fraud coverage by any payments made by or on behalf of the [Insured Company](#) pursuant to such crime insurance policy issued to the [Insured Company](#), but only if such payments are for [utility fraud loss](#) that would otherwise be covered under this endorsement.

VII. Section III. Limit of Liability and Retention is amended to add the following:

Solely in respect of the coverages afforded by the Utility Fraud Endorsement,

- (a) Subject to the Aggregate Limit of Liability for the Utility Endorsement, as stated in Item 3. on the Declarations Page, if a [sublimit](#) with respect to an Insuring Agreement is stated in Item 3. on the Declarations Page, then such [sublimit](#) will be the [Insurer's](#) maximum liability for [loss](#) with respect to such Insuring Agreement. Upon exhaustion of such [sublimit](#), the [Insurer](#) will not be liable to pay any further [loss](#) with respect to the coverage provided by the subject Insuring Agreement. Each [sublimit](#) will be part of, and not in addition to, this Policy's Combined Policy Aggregate Limit and will in no way serve to increase or supplement such limit of liability. All payments made under a [sublimit](#) will reduce such limit of liability.

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- (b) The amount stated in Item 3. on the Declarations Page as the Aggregate Limit of Liability for the Utility Fraud Endorsement shall be the **Insurer's** maximum aggregate liability for **loss** under this Endorsement. Upon exhaustion of the Aggregate Limit of Liability for the Utility Fraud Endorsement, the **Insurer** will not be liable to pay any further **loss** under this Endorsement. The Aggregate Limit of Liability for the Utility Fraud Endorsement will be part of, and not in addition to, this Policy's Combined Policy Aggregate Limit and will in no way serve to increase or supplement such limit of liability. All payments made by the **Insurer** under this Endorsement will reduce this Policy's Combined Policy Aggregate Limit.

VIII. Coverage under this Endorsement will be the exclusive coverage under this Policy for **utility fraud loss**, and will not trigger coverage elsewhere under the Policy.

All other terms and conditions of this Policy shall remain the same.

CyberRiskConnect

Privacy, Security and Technology Insurance

Endorsement #013

This endorsement:
effective 12:01 a.m., January 1, 2025,
forms a part of Policy No.
issued to NEW MEXICO COUNTY INSURANCE AUTHORITY,
by Indian Harbor Insurance Company.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CYBER CRIME ENDORSEMENT

In consideration of the premium charged, it is agreed that:

- I. Item 3. Coverage Schedule of the Declarations is amended by adding the new Aggregate Limit of Liability, Insuring Agreements, Sublimits, and Retentions as indicated below:

FIRST PARTY COVERAGES	Aggregate Limit of Liability	
Cyber Crime Endorsement		\$ 100,000
	Sublimit	Retention
Social Engineering Financial Fraud	\$ 100,000	\$ 250,000
Funds Transfer Fraud	\$ 100,000	\$ 250,000
Invoice Manipulation	\$ 100,000	\$ 250,000

- II. Section I. Item B. First Party Coverages is amended to include the following new coverage:

- 4. Social Engineering Financial Fraud

The Insurer will pay or reimburse the Insured Company for social engineering financial fraud loss in excess of the applicable retention that the Insured incurs directly resulting from a social engineering financial fraud event, provided that such social engineering financial fraud event is first discovered by an Insured during the policy period.

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5. Funds Transfer Fraud

The **Insurer** will pay or reimburse the **Insured Company** for **funds transfer fraud loss** in excess of the applicable retention that the **Insured** incurs directly resulting from a **funds transfer fraud event**, provided that such **funds transfer fraud event** is first discovered by an **Insured** during the **policy period**.

6. Invoice Manipulation

The **Insurer** will pay or reimburse the **Insured Company** for **invoice manipulation loss** in excess of the applicable retention that the **Insured** incurs directly resulting from an **invoice manipulation fraud event**, provided that such **invoice manipulation fraud event** is first discovered by an **Insured** during the **policy period**.

III. Section D.2. Application of Coverage is amended to include the following:

The coverage provided under Section I. Item B.4 Social Engineering Financial Fraud shall apply only if the **Insured** verifies the instruction to transfer **money** or **securities** by following a pre-arranged callback or other established procedural method to authenticate the validity of the request prior to acting upon any transfer instruction.

IV. Section IV. Definitions is amended to include the following new defined terms:

Authorized Employee

An employee of the **Insured** who is authorized by the **Insured Company** to transfer, or to instruct others to transfer, **money** or **securities**.

Insured Invoice

A printed or electronic statement of any **payment** owed to the **Insured** for goods, products, or services provided by the **Insured**.

Invoice Manipulation Fraud Event

The release or distribution of any fraudulent payment instructions to the **Insured's** client, customer or **vendor** as a direct result of a **cyber security breach** in order to mislead or deceive the **Insured's** client, customer, or **vendor** into transferring payment intended for paying an **Insured invoice** to another person or entity.

Invoice Manipulation Loss

The financial loss the **Insured** incurs directly from being unable to collect payment from the **Insured's** client, customer or **vendor** for any **Insured invoice** directly resulting from an **invoice manipulation fraud event**. The **invoice manipulation loss** will not include any profit to the **Insured** as a result of providing goods, products, or services which is the subject of such **invoice manipulation loss**.

CyberRiskConnect

Privacy, Security and Technology Insurance

Financial Institution

A bank, credit union, saving and loan association, trust company or other licensed financial service, securities broker-dealer, mutual fund, or liquid assets fund or similar investment company where the [Insured Company](#) maintains a bank account.

Funds Transfer Fraud Loss

Loss of [money](#) or [securities](#) directly resulting from a [funds transfer fraud event](#).

Funds Transfer Fraud Event

An unauthorized and fraudulent written, electronic, or telephonic instruction transmitted to a [financial institution](#) by a third party falsely purporting to be the [Insured](#), directing such [financial institution](#) to transfer, pay, debit or deliver [money](#) or [securities](#) from the [Insured's](#) account, without the [Insured's](#) knowledge or consent.

Money

The [Insured's](#):

1. Currency, coins and bank notes in current use and having a face value; and
2. Traveler's checks and money orders held for sale to the public.

Payment

Currency and bank notes in current use and having a face value; and traveler's checks and money orders held for sale to the public. Payment shall not include cryptocurrency in any form.

Securities

The [Insured's](#) negotiable and nonnegotiable instruments or contracts representing either [money](#) or property, and includes tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use, and evidences of debt issued in connection with credit or charge cards, which cards are not issued by the [Insured](#).

Social Engineering Financial Fraud Loss

Loss of [money](#) or [securities](#) directly resulting from a [social engineering financial fraud event](#).

Social Engineering Financial Fraud Event

The transfer of [money](#) or [securities](#) by the [Insured](#) to an account outside the [Insured's](#) control pursuant to instructions made by a person purporting to be an [authorized employee](#), outsourced provider, vendor or customer of the [Insured](#), when such instructions prove to have been fraudulent and issued by a person who is not an [authorized employee](#), outsourced provider, or customer of the [Insured](#).

Vendor

Any person(s) or entity(s) with whom the [Insured](#) has entered into a written contract to provide services to the [Insured](#) and is not owned, operated, or controlled by an [Insured](#).

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- V. Section IV. Definitions is amended by deleting and replacing the following definitions:

First Party Costs

Any [loss of business income](#), [extra expense](#), [data recovery expenses](#), [cyber-extortion expenses](#), [data breach response and crisis management costs](#), [social engineering financial fraud loss](#), [funds transfer fraud loss](#), and [invoice manipulation loss](#).

Except with respect to [social engineering financial fraud loss](#), [funds transfer fraud loss](#), and [invoice manipulation loss](#), [first party costs](#) do not include any amounts incurred prior to the [Insured](#) providing notice of the [first party incident](#).

[Social engineering financial fraud loss](#), [funds transfer fraud loss](#), and [invoice manipulation loss](#), do not include any amounts incurred to prove or establish the existence of such [social engineering financial fraud loss](#), [funds transfer fraud loss](#), or [invoice manipulation loss](#).

First Party Incident

A [cyber security breach](#), [cyber-extortion threat](#), [data breach](#), [social engineering financial fraud event](#), [funds transfer fraud event](#), or [invoice manipulation fraud event](#).

- VI. Solely with respect to the coverage provided by this Endorsement, Section IV. Item K. Damages is amended by deleting part 8. "the monetary value of an electronic fund transfer or transaction that is lost or diminished during transfer."

- VII. Solely with respect to the coverage provided by this Endorsement, Section IX. Item D. Other Insurance is deleted and replaced as follows:

Coverage provided under this Cyber Crime Endorsement is excess to the coverage provided by any crime insurance policy; provided, however, notwithstanding the foregoing or anything in this Policy to the contrary, the [Insurer](#) will recognize erosion of the Retention applicable to Social Engineering Financial Fraud, Funds Transfer Fraud, or Invoice Manipulation Fraud coverage by any payments made by or on behalf of the [Insured Company](#) pursuant to such crime insurance policy issued to the [Insured Company](#), but only if such payments are for [social engineering financial fraud loss](#), [funds transfer fraud loss](#), or [invoice manipulation loss](#) that would otherwise be covered under this endorsement.

- VIII. Section III. Limit of Liability and Retention is amended to add the following:

Solely in respect of the coverages afforded by the Cyber Crime Endorsement,

- (a) Subject to the Aggregate Limit of Liability for the Cyber Crime Endorsement, as stated in Item 3. on the Declarations Page, if a [sublimit](#) with respect to an Insuring Agreement is stated in Item 3. on the Declarations Page, then such [sublimit](#) will be the [Insurer's](#) maximum liability for [loss](#) with respect to such Insuring Agreement. Upon exhaustion of such [sublimit](#), the [Insurer](#) will not be liable to pay any further [loss](#) with respect to the coverage provided by the subject Insuring Agreement. Each [sublimit](#) will be part of, and not in addition to, this Policy's Combined Policy Aggregate Limit and will in no way serve to increase or supplement such limit of liability. All payments made under a [sublimit](#) will reduce such limit of liability.

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- (b) The amount stated in Item 3. on the Declarations Page as the Aggregate Limit of Liability for the Cyber Crime Endorsement shall be the **Insurer's** maximum aggregate liability for **loss** under this Endorsement. Upon exhaustion of the Aggregate Limit of Liability for the Cyber Crime Endorsement, the **Insurer** will not be liable to pay any further **loss** under this Endorsement. The Aggregate Limit of Liability for the Cyber Crime Endorsement will be part of, and not in addition to, this Policy's Combined Policy Aggregate Limit and will in no way serve to increase or supplement such limit of liability. All payments made by the **Insurer** under this Endorsement will reduce this Policy's Combined Policy Aggregate Limit.
- IX. Coverage under this Endorsement will be the exclusive coverage under this Policy for **social engineering fraud loss**, **funds transfer fraud loss**, or **invoice manipulation loss**, and will not trigger coverage elsewhere under the Policy.

All other terms and conditions of this Policy shall remain the same.

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Endorsement #014

This endorsement:
effective 12:01 a.m., January 1, 2025,
forms a part of Policy No.
issued to NEW MEXICO COUNTY INSURANCE AUTHORITY,
by Indian Harbor Insurance Company.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDED DEFINITION OF NETWORK ENDORSEMENT – BYOD/WFH

In consideration of the premium charged, it is agreed that Section IV. Definitions, Item. DD. Network is deleted in its entirety and replaced with the following:

DD. Network

A connected system of computing hardware, software, firmware and associated electronic components and mobile devices, including industrial control systems and SCADA systems (Supervisory control and data acquisition systems) or other industrial IT, under the ownership, operation or control of, or leased by, an **Insured Company**, or by any persons under definition IV. U. **Insured** paragraph 1. or paragraph 2.

All other terms and conditions of this Policy shall remain the same.

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Endorsement #015

This endorsement:
effective 12:01 a.m., January 1, 2025,
forms a part of Policy No.
issued to NEW MEXICO COUNTY INSURANCE AUTHORITY,
by Indian Harbor Insurance Company.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PRIVACY REGULATORY ENDORSEMENT

In consideration of the premium charged, it is agreed that Section IV. Definitions is amended as follows:

- I. Section IV. Definitions, Item D. Claim Expenses is amended to include the following:

Claim expenses do not include any amounts incurred by the **Insured** or others to come into compliance with the General Data Protection Regulation (GDPR) or California Consumer Privacy Act of 2018 (CCPA) or any similar law or regulation, and any amendments thereto. **Claim expenses** also do not include any amounts incurred by the **Insured** or others to come into compliance with the General Data Protection Regulation (GDPR) or California Consumer Privacy Act of 2018 (CCPA) or any similar law or regulation and any amendments thereto as a result of an alleged violation of the CCPA in response to a written notice provided by a consumer or the California Attorney General, unless such amounts are otherwise covered under any other applicable coverage part of this Policy.

- II. Section IV. Definitions, Item F. Consumer Redress Amount is deleted in its entirety and replaced with the following:

F. Consumer Redress Amount

That sum of money that the **Insured** is legally obligated to deposit in a fund for the payment of consumer claims as the result of a **privacy regulatory action**, if the insuring of such monies is permitted under the laws and public policy of the jurisdiction pursuing or enforcing the **privacy regulatory action**.

- III. Section IV. Definitions, Item S. First Party Costs is amended to include the following:

First party costs do not include any amounts incurred by the **Insured** or others to come into compliance with the General Data Protection Regulation (GDPR) or California Consumer Privacy Act of 2018 (CCPA) or any similar law or regulation and any amendments thereto. **First party costs** also do not include any amounts incurred by the **Insured** or others to come into compliance with the General Data Protection Regulation (GDPR) or California Consumer Privacy Act of 2018 (CCPA) or any similar law or regulation and any amendments thereto as a result of an alleged violation of the CCPA in response to a written notice provided by a consumer or the California Attorney General, unless such amounts are otherwise covered under any other applicable coverage part of this Policy.

- IV. Section IV. Definitions, Item GG. Personally Identifiable Information is deleted in its entirety and replaced with the following:

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GG. Personally Identifiable Information

1. Information, whether printed or digital, encrypted or unencrypted, in the care, custody or control of an **Insured** or **outsourced provider**, that alone or in conjunction can be used to uniquely identify an individual; or
2. Information concerning an individual that would be considered “personal data” or “sensitive personal data” within the meaning of the General Data Protection Regulation (GDPR) or any similar law or regulation and any amendments thereto; or
3. Information concerning a consumer or household that would be considered “personal information” within the meaning of the California Consumer Privacy Act of 2018 (CCPA) or any similar law or regulation and any amendments thereto.

V. Section IV. Definitions, Item KK. Privacy Regulatory Action is deleted in its entirety and replaced with the following:

KK. Privacy Regulatory Action

A written request for information, civil investigative demand or civil proceeding brought by or on behalf of a governmental, regulatory authority, or authorized data protection authority.

VI. Section IV. Definitions, Item LL. Privacy Regulatory Fine is deleted in its entirety and replaced with the following:

LL. Privacy Regulatory Fine

A civil monetary fine or penalty imposed on an **Insured Company** by a governmental, regulatory authority, or authorized data protection authority, if the insuring of such fines or penalties is permitted under the laws and public policy of the jurisdiction under which the fines or penalties are imposed.

All other terms and conditions of this Policy shall remain the same.

Endorsement #016

This endorsement:
 effective 12:01 a.m., January 1, 2025,
 forms a part of Policy No.
 issued to NEW MEXICO COUNTY INSURANCE AUTHORITY,
 by Indian Harbor Insurance Company.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

RANSOMWARE SUBLIMIT ENDORSEMENT

In consideration of the premium charged, it is understood and agreed that the Policy is amended as follows:

1. The following Endorsement Schedule is added to the Policy:

ENDORSEMENT SCHEDULE					
COVERAGE	SUBLIMIT	CO-INSURANCE %		RETENTION	WAITING PERIOD
		INSURED	INSURER		
Cyber-Extortion Reimbursement	\$ 2,000,000	0%	100%	\$ 250,000	N/A
Ransomware Event	\$ 2,000,000	0%	100%	\$ 250,000	18 Hours

2. Insuring Agreement I.B.3. Cyber-Extortion and Ransomware is deleted and replaced with the following:
 3. Cyber-Extortion Reimbursement

The **Insurer** will reimburse the **Insured** for **cyber-extortion expenses** in excess of the applicable retention that the **Insured** incurs directly resulting from and in response to a **cyber-extortion threat**.
3. Definitions IV.H. Cyber-extortion Expenses is deleted and replaced with the following:
 - H. Cyber-extortion Expenses
 1. Reasonable and necessary money, digital currency, property, or other consideration surrendered as payment by or on behalf of the **Insured Company** in order to eliminate, mitigate, or remove a **cyber-extortion threat**; and
 2. Reasonable and necessary amounts paid to qualified third parties to facilitate or negotiate an actual payment by or on behalf of the **Insured Company** as set forth in paragraph 1. of this definition, including any transaction or currency exchange fees.

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Amounts surrendered as payment will be deemed reasonable and necessary **cyber-extortion expenses** only when the **Insured** shows by clear evidence that, at the time payment was made, the amounts surrendered plus any expected **loss of business income** and **data recovery expenses** otherwise covered by this Policy was expected to be less than the sum of any **loss of business income** and **data recovery expenses** that would have otherwise been covered by this Policy. The **Insured** must prepare and submit a complete and final proof of loss to the **Insurer** in conformance with Notice VI.E.1(b) Insured's Claim and First Party Incident Obligations of the policy for the **Insurer** to evaluate coverage under this provision. In no event will the **Insurer** pay or commit to pay any **cyber-extortion expenses** before such amounts are actually paid by the **Insured** and submitted to the **Insurer** for reimbursement in conformance with this provision.

4. Definitions IV.I. Cyber-extortion Threat is deleted and replaced with following:

I. Cyber-extortion Threat

Any **threat communication** from a third party or **rogue employee** related in any way to an actual or potential threat to start or continue to:

1. Disrupt the network to impair business operations of the **Insured Company**;
2. Alter, damage, or destroy data stored on the **network**;
3. Use the **network** to transmit malware to third parties;
4. Deface the **Insured Company's** website;
5. Access, release, or otherwise misuse data, including personally identifiable information, protected health information, or confidential business information, stored or previously stored on the network;
6. Refuse to return data stolen from the **network**;
7. Prevent access to the **network** or data by using encryption and withholding the decryption key; or
8. Disclose any fact relating to the foregoing to the public or to any third party.

5. Solely for the purposes of this Endorsement, the following new definitions shall apply:

- Threat Communication

A threat made demanding or seeking payment and/or other consideration in exchange for, or in connection with, the prevention, elimination, mitigation or removal of a threat against the **Insured** or any communications intended to initiate such communications with the **Insured**.

- Ransomware Event Loss

Any and all **loss** for, arising out of, in connection with, or in any way involving a **cyber-extortion threat**, regardless whether such **loss** consists of **damages**, **claim expenses**, **regulatory damages**, **first party costs**, or any other amounts paid by the **Insurer** under the Policy.

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6. The Insurer's obligation to pay cyber-extortion expenses shall not exceed the Cyber-Extortion Reimbursement Sublimit set forth in the Endorsement Schedule. The Cyber-Extortion Reimbursement Sublimit shall be the Insurer's maximum liability for all cyber-extortion expenses for which this Policy affords coverage under any insuring agreement and is part of, and not in addition to, the limit(s) of liability applicable under any other of the Policy's insuring agreements or applicable aggregate limit(s). The Cyber-Extortion Reimbursement Sublimit shall apply regardless of the number of cyber-extortion threats. No amount constituting cyber-extortion expenses as defined in this endorsement shall be afforded coverage under any other insuring agreement or provision of this Policy, including, but not limited to, as extra expenses or data recovery expenses. Coverage for all loss included within the definition of cyber-extortion expenses set forth above shall be available solely and exclusively under Insuring Agreement I.B.3. as amended in this endorsement and shall be subject to the Cyber-Extortion Reimbursement Sublimit and Cyber-Extortion Coinsurance Percentage set forth in the Endorsement Schedule.
7. For any cyber-extortion expenses in excess of the highest applicable retention, the Insured shall be responsible for payment of the Cyber-Extortion Coinsurance Percentage set forth in the Endorsement Schedule of otherwise covered cyber-extortion expenses, and the Insurer shall pay only the remaining Insurer Percentage set forth in the Endorsement Schedule of any cyber-extortion expenses. Payment by the Insured of the Cyber-Extortion Coinsurance Percentage of such loss will not reduce the Cyber Extortion Sublimit or any other limit under the Policy. Only the Insurer Percentage set forth in the Endorsement Schedule of cyber-extortion expenses paid by the Insurer may erode and/or exhaust the Cyber-Extortion Reimbursement Sublimit. The Cyber-Extortion Coinsurance Percentage of cyber-extortion expenses shall remain uninsured, unless through a captive and borne solely by the Insured at its own risk. The Cyber-Extortion Reimbursement Sublimit is part of, and not in addition to, the Ransomware Event Sublimit.
8. The Insurer is liable only for that portion of cyber-extortion expenses in excess of the Cyber-Extortion Retention amount set forth in the Endorsement Schedule. The Cyber-Extortion Retention shall remain uninsured, unless through a captive, and borne solely by the Insured at its own risk. The Cyber-Extortion Retention will be separate from any other retentions in the Policy applicable to cyber extortion expenses for which this Policy provides coverage, provided that if more than a single retention applies to a claim and/or first party incident, then the Insured is responsible for paying only the highest applicable retention.
9. The Insurer's obligation to pay ransomware event loss shall not exceed the Ransomware Event Sublimit set forth in the Endorsement Schedule. The Ransomware Event Sublimit shall be the Insurer's maximum liability for all ransomware event loss for which this Policy affords coverage under any insuring agreement and is part of, and not in addition to, the limit(s) of liability applicable under any other of the Policy's insuring agreements or applicable aggregate limit(s). The Ransomware Event Sublimit shall apply regardless of the number of cyber extortion threats, claims, first party incidents, or other events for which coverage may apply under any of the Policy's Insuring Agreements. The Cyber-Extortion Reimbursement Sublimit is part of, and not in addition to, the Ransomware Event Sublimit.
10. For any ransomware event loss other than cyber-extortion expenses in excess of the highest applicable retention, the Insured shall be responsible for payment of the Ransomware Event Coinsurance Percentage set forth in the Endorsement Schedule of otherwise covered ransomware event loss, and the Insurer shall pay only the Insurer Percentage set forth in the Endorsement Schedule of any ransomware event loss. Payment by the Insured of the Ransomware Event Coinsurance Percentage of such loss will not reduce the Ransomware Event Sublimit or any other limit under the Policy. Only the Insurer Percentage set forth in the Endorsement Schedule of ransomware event loss and any other ransomware event loss paid by the Insurer may erode and/or exhaust the Ransomware Event Sublimit. The Ransomware Event Coinsurance Percentage of ransomware event loss shall remain uninsured, unless through a captive, and borne solely by the Insured at its own risk.
11. The Insurer is liable only for that portion of ransomware event loss other than cyber-extortion expenses in excess of the Ransomware Event Retention amount set forth in the Endorsement Schedule. The Ransomware Event Retention shall remain uninsured, unless through a captive, and borne solely by the Insured at its own risk. The Ransomware Event Retention will be separate from any other retentions in the Policy applicable to

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ransomware event loss for which this Policy provides coverage, provided that if more than a single retention applies to a **claim** and/or **first party incident**, then the **Insured** is responsible for paying only the highest applicable retention.

12. Solely in connection with any **ransomware event loss**, Definition IV.AAA Waiting Period of the Policy is replaced by the Ransomware Event Waiting Period set forth in the Endorsement Schedule.
13. The provisions of this Endorsement, including the relevant Cyber-Extortion Reimbursement Sublimit, Cyber-Extortion Coinsurance Percentage, Cyber-Extortion Retention, Ransomware Event Sublimit, Ransomware Event Coinsurance Percentage, Ransomware Event Retention, and Ransomware Event Waiting Period shall apply regardless whether any other cause or event contributes concurrently or in any sequence to any portion of **cyber-extortion expenses** or **ransomware event loss**.
14. Should the **Insurer** determine, in its sole discretion, that payment of any **cyber-extortion expenses** might conflict with applicable laws or regulations (including but not limited to any U.S. or foreign trade or economic sanctions laws or regulations), the **Insurer** has the right, but not the obligation, to seek relief or guidance from an appropriate regulatory authority or court of competent jurisdiction before it will pay any such **ransomware event loss**. If the **Insurer** exercises such right, payment for any **ransomware event loss** will not become due until thirty (30) days after payment of such **ransomware event loss** has been authorized by such regulatory authority or court or such additional time that the **Insurer** may reasonably require. Condition IX.K, Alternative Dispute Resolution, of this Policy shall not apply to or impair the rights of the **Insurer** as set forth in this paragraph.
15. To the extent any provision contained in this Endorsement is deemed inconsistent with any other provision of this Policy, the provisions of this Endorsement shall control.

All other terms and conditions of this Policy shall remain the same.

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Endorsement #017

This endorsement:
effective 12:01 a.m., January 1, 2025,
forms a part of Policy No.
issued to NEW MEXICO COUNTY INSURANCE AUTHORITY,
by Indian Harbor Insurance Company.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WAR EXCLUSION ENDORSEMENT v2

In consideration of the premium charged, it is agreed that:

- (1) Section V. Exclusions Q. of the Policy is deleted in its entirety and replaced with the following:

The Policy does not apply to that part of any **claim** or **first party incident** arising out of, based upon, or attributable to:

Q. War

1. **War**; or
2. Any **cyber act** by a **party to the war**, or by those acting at the direction or under the control of a **party to the war**, that is conducted in the course of **war**; or
3. A **cyber act**, by or on behalf of a sovereign state or a non-state organized armed group, that results in, or is a basis for, a response by a sovereign state that includes the use of force.

However, this exclusion does not apply to **cyber terrorism**.

- (2) The following definitions are added to the Policy:
 - (a) **Computer System** means any electronic device, computer, hardware, software, communications system, **network**, server, cloud, or microcontroller, including any component thereof, any similar system or configuration of the aforementioned and including any associated input, output, data storage device, networking equipment, information or communication systems or **networks**, or back up facility.

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- (b) **Cyber Act** means the use of any **computer system** or technique involving any combination of software, firmware, hardware, malware, and exploits, to:
 - (1) disrupt, deny access to, degrade, manipulate, damage, or destroy a **computer system**; or
 - (2) to compromise, destroy or threaten the integrity, confidentiality, or availability of computers, information or communications systems or **networks**, physical or virtual infrastructure controlled by computers or information systems, or information or data stored on any **computer system**.
- (c) **Cyber Terrorism** means any actual or threatened attack against the **network**, with the intention to cause harm, to further social, ideological, religious or political objectives or to intimidate any person or entity in furtherance of such objectives. **Cyber terrorism**, however, does not include any such activities which are by, or by those acting under the direction or the control of, a sovereign state or non-state organized armed group or which are part of or in support of any **war** or use of force.
- (d) **Party to the war** means both sovereign states and non-state organized armed group(s) taking part in **war**.
- (e) **War** means any conflict involving the use of physical force, regardless of the duration, intensity or scope, between two or more sovereign states, a sovereign state(s) and non-state organized armed group(s), or two or more non-state organized armed groups, or as part of a civil war, rebellion, revolution, insurrection or military or usurped power, whether war be declared or not.

All other terms and conditions of this Policy shall remain the same.

Endorsement #018

This endorsement:
effective 12:01 a.m., January 1, 2025,
forms a part of Policy No.
issued to NEW MEXICO COUNTY INSURANCE AUTHORITY,
by Indian Harbor Insurance Company.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SEC ANALYSIS & REPORTING COSTS SUBLIMIT ENDORSEMENT

In consideration of the premium charged, it is agreed that:

- (1) The **Insurer** will pay or reimburse the **Insured** for **SEC Reporting Costs** in excess of the applicable retention that the **Insured** incurs resulting from a **data breach** or **cyber security breach** occurring during the **policy period**.
- (2) For the purposes of the coverage provided by this endorsement, the following definition is added to the Policy:

SEC Reporting Costs

Reasonable and necessary costs charged by a qualified provider of the **Insured's** choice to:

- (a) determine whether a **cyber security breach** or **data breach** is a material cybersecurity incident as defined by the Securities and Exchange Commission (hereinafter the "SEC"), necessitating the filing of a form 6K or 8K as required by the SEC's Cybersecurity Risk Management, Strategy, Governance and Incident Disclosure rule (RIN 3235-AM89) as may be amended; and
 - (b) prepare and file a form 6K or 8K if required by, and in compliance with, the SEC's Cybersecurity Risk Management, Strategy, Governance and Incident Disclosure rule (RIN 3235-AM89) as may be amended.
- (3) The **Insurer's** maximum aggregate limit of liability under this Policy for all **SEC Reporting Costs** will be \$25,000, which amount shall be part of, and not in addition to the **Insurer's** Combined Policy Aggregate Limit set forth in Item 3 of the Declarations.
 - (4) With respect to any **data breach** or **cyber security breach**, the **Insurer** shall only pay **SEC Reporting Costs** which are in excess of \$250,000. The Declaration Page shall be amended to effect the intent and purpose of this endorsement.

All other terms and conditions of this Policy shall remain the same.

ENDORSEMENT #019

This endorsement, effective 12:01 a.m., January 1, 2025 forms a part of Policy No. MTP003969412 issued to NEW MEXICO COUNTY INSURANCE AUTHORITY by Indian Harbor Insurance Company

SERVICE OF PROCESS

The Superintendent of Insurance of the State of New Mexico is hereby designated the true and lawful attorney of the Insurer upon whom may be served all lawful process in any action, suit or proceeding arising out of this Policy. The Insurer further designates:

Sarah Mims
General Counsel
505 Eagleview Boulevard, Suite 100
Exton, PA 19341-1120

as its agent in New Mexico to whom such process shall be forwarded by the Superintendent of Insurance.

For Illinois exposures, the Insurer further designates the Director of the Illinois Division of Insurance and his successors in office, as its 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 an Illinois exposure and this contract of insurance.

All other terms and conditions of this Policy remain unchanged.