

Cyber and data insurance

Policy wording

Please read **your** schedule to see if **your** own losses, claims and investigations against **you**, cyber business interruption, **your** own losses from crime or cyber property damage are covered.

The General terms and conditions and the following terms and conditions all apply to this section. **Your** schedule will state whether **your** policy includes this section.

Special definitions for this section

Acquired entity	<p>Any entity acquired by you during the period of insurance that is domiciled in the United Kingdom of Great Britain and Northern Ireland, the Channel Islands, the Isle of Man or Gibraltar and performs the same activities as your business. This does not include any entity:</p> <ol style="list-style-type: none">1. that has been the subject of a claim or loss arising from a crime with a value greater than the excess, which would have been covered by this section of the policy; or2. whose assets exceed 20% of your total assets as reflected in your financial statement immediately prior to the period of insurance;3. that trades any of its debt or securities on any United States of America exchange; or4. that has any offices or employees that are based outside of the United Kingdom of Great Britain and Northern Ireland, the Channel Islands, the Isle of Man or Gibraltar.
Additional business expenses	<p>Any:</p> <ol style="list-style-type: none">1. increased cost of power;2. increased cost of internet usage or cloud computing services;3. reasonable costs necessarily incurred by you to restore your search engine rating;4. cost of any malicious pay-per-click clicks; <p>incurred by you during the indemnity period as a sole and direct result of a cyber attack against you.</p>
Additional increased costs of working	<p>The additional costs and expenses, reasonably incurred by you, not including any costs of reconstitution of data, incurred by you with our prior written agreement in order to continue your business or minimise your loss of income during the indemnity period.</p>
Advertising	<p>Advertising, publicity or promotion in or of your products or services.</p>
Applicable courts	<p>The courts of competent jurisdiction in those countries stated as the applicable courts in your schedule.</p>
Breach	<p>The unauthorised acquisition, access, retention, use or disclosure of, or the loss or theft of, personal data or confidential corporate information held by you.</p>
Breach costs	<p>The following reasonable and necessary costs incurred by you with our prior written agreement in direct response to an actual or suspected breach:</p> <ol style="list-style-type: none">1. legal costs to:<ol style="list-style-type: none">a. provide advice to you in connection with your investigation of a breach;b. assist with the preparation of notifications to any regulator and affected data subjects; andc. determine and pursue any indemnity under a written agreement with a third party;2. breach forensic costs;3. costs incurred to notify:

- a. each affected **data subject** of the **breach**; and
- b. any regulatory body, including but not limited to the Information Commissioner's Office, of the **breach**;

where **you** are required by any law or regulation to do so or, where **you** do so voluntarily, **you** have previously sought and obtained **our** consent;

4. costs **you** incur to use a third-party call centre to answer enquiries from affected **data subjects** following notification of the **breach** to such **data subjects**;
5. **credit monitoring costs**; and
6. costs to monitor the dark web for the appearance of any information accessed in the course of a **breach**;

but not including any overhead costs, general business expenses, salaries or wages incurred by **you** or any other person or entity entitled to coverage under this section.

Breach forensic costs

Costs **you** incur for:

1. computer forensic analysis conducted by outside forensic experts to:
 - a. confirm whether or not a **breach** has occurred;
 - b. identify any affected **data subjects**;
 - c. stop or contain the **breach**; and
2. legal fees necessary for the preservation of the privilege or confidentiality of forensic reports and findings.

Claim

Any written assertion of liability, any written demand for financial compensation, any written demand for injunctive relief, or any civil or criminal proceeding first made against **you** within the **applicable courts**, or any regulatory or arbitration proceeding first brought against **you** within the countries stated as the **applicable courts**.

Client social engineering

A client transferring **money, securities** or **property**, which **you** were entitled to receive, to a third-party in direct response to a **social engineering communication** purportedly sent from **your computer system** as a direct result of a **hacker**.

For the purposes of this definition:

1. the client shall be treated as '**you**' for the purposes of the definition of **social engineering communication**; and
2. the definition of **hacker** does not include any of **your employees**, sub-contractors or outsourcers.

Computer system

Any **computer or digital technology** capable of processing or operating a **program**.

Counterfeit

A quality imitation of any original that is intended to deceive and be taken as the original.

Credit monitoring costs

The reasonable and necessary costs incurred by **you** with **our** prior written agreement to provide credit monitoring services or other credit protection services to each affected **data subject**.

Crime

Any of the following, unless committed by **you** or with **your** knowledge or consent:

1. **client social engineering**;
2. **dishonesty of an employee**;
3. **electronic theft**;
4. **financial social engineering**;
5. **fraudulent use of your identity**;
6. **loss of assets**; or
7. **telephone toll fraud**.

Crime retroactive date

The date stated as the crime retroactive date in **your** schedule.

Cyber operation	The use of any computer or digital technology by, at the direction, or under the control of a state to disrupt, deny, degrade, exfiltrate, manipulate or destroy any data or computer or digital technology in or of another state .
Cyber ransom losses	<p>Following a cyber attack against your computer system or the communication of an illegal threat:</p> <ol style="list-style-type: none"> 1. the reasonable and necessary fees of our appointed consultant, incurred by you with our prior written agreement, for advising you and the handling and negotiation of the ransom demand; 2. the cost of, and reasonable costs in facilitating, any ransom demand from the third party or, if the demand is for goods or services, their market value at the time of the surrender; and 3. the amount of any stolen ransom, where such theft occurs at or in transit to the agreed location for payment of the ransom.
Daily interruption benefit	The daily loss amount, as specified in your schedule, payable for each consecutive day that your business suffers from an interruption .
Data asset	Any electronic data or software.
Data recovery costs	The reasonable costs and expenses, necessarily incurred by you with our prior written agreement, to regain access to your data asset , or to replace, restore or repair your data asset from back-ups or originals.
Data subject	Any natural person identified or identifiable by personal data .
Defence costs	The reasonable lawyers' and experts' fees, necessarily incurred by you , with our prior written agreement in investigating, settling, defending, appealing or defending an appeal against a covered claim .
Dependent business	Any individual or entity that provides you with outsourced business processes or information technology services pursuant to a written contract.
Discovered	The first discovery by any of your partners, directors, trustees, in-house counsel or senior management in actual control of your operations of a crime or any circumstances that reasonably suggest a crime has occurred.
Dishonesty of an employee	<p>Any dishonest, fraudulent or malicious act of an employee acting alone or in collusion with others resulting in a loss of assets.</p> <p>For any dishonesty of an employee, there must be a clear intention to obtain an improper financial gain over and above salary, bonus or commission for the employee or the colluding person.</p>
Document	<ol style="list-style-type: none"> 1. Any bill of exchange, cheque, draft, certificate of deposit, letter of credit, promissory note, withdrawal order or receipt for the withdrawal of money, financial instruments or property or similar instruments of value serving the same purpose; or 2. any original document (but not any photocopied or faxed document or email supplied to you) specified within your internal policies or procedures as being required to be supplied to you prior to, and as a condition of, the funding of any loan or extension of credit.
Electronic theft	The criminal taking or misappropriation using electronic means by anyone other than you or an employee of money , securities , or property belonging to you .
Employee	Any individual performing employment duties solely on your behalf in the ordinary course of your business and who is subject to your sole control and direction and to whom you supply the instruments and place of work necessary to perform such duties. This does not include you or your sub-contractors or outsourcers.
Financial social engineering	Any request directed to you or someone on your behalf by a person or entity improperly seeking to obtain possession or the transfer to a third-party of money , securities or property to which such third-party is not entitled.

Forgery	The unauthorised handwritten, mechanical or electronic signing or endorsing of the name of a genuine person with intent to deceive. This does not include anyone signing or endorsing their own name, with or without authority.
Fraudulently altered	The alteration of a document for a fraudulent purpose by any unauthorised person. This does not include any material inaccuracy or misleading statement contained in any document .
Fraudulent use of your electronic identity	The fraudulent or dishonest use of the electronic identity of your business , including but not limited to: <ol style="list-style-type: none">1. the obtaining of credit in your name;2. the electronic signing of any contract;3. the creation or use of a website designed to copy or imitate that of your business; or4. the use by a third-party of your digital or electronic identity.
Funds transfer error	The theft or misappropriation of money, property or securities where transfer to a third party has occurred as a result of an error by you , including in response to financial social engineering , in the course of your business , after you have exhausted every reasonable course of action to secure its recovery.
Illegal threat	Any threat from a third-party, including an employee but not you , to: <ol style="list-style-type: none">1. disseminate, divulge, use or prevent your access to any electronically held confidential corporate information or personal data which:<ol style="list-style-type: none">a. you are responsible for; andb. will cause commercial harm if made public, following any unauthorised external electronic access; or2. carry out a cyber attack against you.3. not withdraw from doing anything in 1. or 2. above.
Income	The total income of your business , less any savings resulting from the reduced costs and expenses.
Increased costs of working	The reasonable costs and expenses, necessarily incurred by you for the sole purpose of minimising the reduction in income during the indemnity period , but not exceeding the loss of income saved.
Indemnity period	The time period beginning at the date the interruption to your business commences and lasting for the period during which your income is affected as a result of such interruption, but for no longer than the time period shown in your schedule. This period may not commence more than 90 days after you discover or reasonably suspect a breach, security failure, illegal threat or cyber attack .
Information technology services	Computer and electronic technology services, including but not limited to cloud computing and other hosted computer resources. However, this does not include internet or telecommunications connectivity services.
Insured equipment	Any property shown on your schedule that, through digital connectivity, forms part of your computer system used for your business .
Insured person	Any natural person who is, or during the period of insurance becomes, a statutory director, partner or officer of you .
Interruption	An interruption to your business which commences during the period of insurance and results from part or parts of your computer system , that are critical for revenue generation, being continuously interrupted and materially impaired .
Loss	Any financial harm caused to your business .

Loss of assets	<ol style="list-style-type: none"> 1. Loss, destruction or damage of your money, property or securities which are in your possession in the usual course of your business resulting directly from any actual or attempted theft at your premises; 2. loss resulting directly from your receipt in good faith of any counterfeit cash, coin, bank and currency notes; or 3. funds transfer error.
Loss of income	The difference between your actual income during the indemnity period and the income it is estimated you would have earned during that period or, if this is your first trading year, the difference between your income during the indemnity period and during the period immediately prior to the interruption , less any savings resulting from the reduced costs and expenses you pay out of your income during the indemnity period .
Materially impaired	A widespread disruption to your computer system affecting multiple users, or a single user if you are either a sole trader or have only one employee , and causing loss .
Money	Cash, coin, bank and currency notes, bullion, funds, cheques, registered cheques, travellers' cheques, postal orders, bank drafts, money orders or any electronic, digital, or online currency, but not including cryptocurrency.
Outsourced business processes	Services provided by business process outsourcers supporting the operation of your business functions, that could otherwise be performed internally, including but not limited to human resources, call centres and accounting services. This does not include fulfilment services or the provision of products or services as part of your supply chain.
PCI charges	Any charges, fines, penalties, levies, costs, recertification costs, expenses, assessments, contractual damages or imposition of liabilities of any nature arising as a direct result of your failure to comply with PCI DSS due to a breach , including any sums in relation to card reissuance or fraudulent transactions.
PCI DSS	Payment Card Industry Data Security Standard or any similar or successor standard or regime.
Privacy forensic costs	The reasonable and necessary costs incurred by you with our prior written agreement for forensic services conducted by outside forensic experts to assist in the defence of a claim .
Privacy investigation	Any official examination, official inquiry or official investigation based on the same circumstances as any breach or claim under What is covered, C. Claims and investigations against you , Privacy liability 1. a., b., or d., conducted by any regulator, government department or other legally empowered body within the countries listed within the definition of applicable courts only.
Privacy investigation costs	The reasonable and necessary lawyers' and experts' fees incurred with our prior written agreement in investigating, settling, defending, appealing or defending an appeal against a privacy investigation .
Pollution	Any pollution or contamination, including but not limited to: <ol style="list-style-type: none"> 1. any solid, liquid, gaseous or thermal contaminant or irritant; or 2. noise, electromagnetic fields and radiation. This definition does not include a cyber attack .
Property	Tangible property.
Public relations costs	The reasonable costs, necessarily incurred by you , with our prior written agreement: <ol style="list-style-type: none"> 1. for a public relations or crisis management consultant to assist you in protecting or re-establishing your business reputation and to respond to media reports, including the development and communication of a strategy to repair your reputation; 2. to issue statements via email or your website and social media accounts, including managing and monitoring your social media sites; and

3. for any other reasonable and proportionate measures taken to protect or re-establish the reputation of **your business**.

Regulatory award

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

Relevant state

Any **state**:

1. in which the data or **computer or digital technology** affected by a **cyber operation** is physically located or stored;
2. which is a permanent member of the United Nations Security Council;
3. which is a member of the Five Eyes intelligence alliance; or
4. which is a member of the North Atlantic Treaty Organisation.

Securities

Negotiable and non-negotiable instruments or contracts, in physical or electronic form, which represent **money** or **property**.

Security failure

Any failure by **you** or by others on **your** behalf (including but not limited to **your** sub-contractors and outsourcers) in securing **your computer system** against unauthorised electronic access or use.

State

Any sovereign state.

Subsidiary

An entity:

1. that has been identified in the presentation of the risk for this **policy** and of which **you** own more than 50% of the book value of the assets or of the outstanding voting rights on the first day of the **period of insurance**; or
2. in which **you** acquire more than 50% of the book value of the assets or of the outstanding voting rights during the **period of insurance**:
 - a. where the turnover at the date of acquisition is less than 10% of **your** existing turnover;
 - b. where the acquired entity's business is the same as **yours**;
 - c. domiciled in the United Kingdom of Great Britain and Northern Ireland, the Channel Islands, the Isle of Man or Gibraltar; and
 - d. which has not suffered any loss or been subject to any claim with a value greater than the **excess**, which would have been covered under this section of the **policy**.

Telephone toll fraud

The unauthorised and criminal use by someone, other than **you** or an **employee**, operating outside of premises used for **your business**, of any telephone lines used by **you**, including but not limited to fixed line, voice over internet protocol and mobile.

Time excess

The period shown in **your** schedule as the time excess, which shall commence immediately following an **interruption**.

Waiting period

The period shown in **your** schedule as the waiting period, which shall commence immediately following an **interruption**.

Virus

Programs designed to or which result in damage, disruption, exfiltration of data from, or unauthorised access to any data or **computer or digital technology**, including, but not limited to, malware, wipers, worms, trojans, rootkits, spyware, dishonest adware, crimeware, ransomware, crypto-jacking and other malicious software.

You/your

Also includes:

1. any person who was, is or during the **period of insurance** becomes **your** partner, director, trustee, in-house counsel or senior manager in actual control of **your** operations; and

2. any **subsidiary** including any person who was, is or during the **period of insurance** becomes a partner, director, trustee, in-house counsel or senior manager of any **subsidiary** in actual control of its operations.

What is covered

A. Your own losses

If during the **period of insurance**, and in the course of **your business** or **advertising**, you discover or reasonably suspect any:

1. **breach**;
2. **security failure**;
3. **illegal threat**; or
4. **cyber attack** against **your computer system**;

we will pay:

Breach costs

- a. **breach costs**;

Cyber ransom losses

- b. **cyber ransom losses**;

Cyber attack losses

- c. **additional business expenses**;

Data recovery costs

- d. **data recovery costs**.

Where shown on **your** schedule, **we** will also pay **your data recovery costs** where these arise from a:

- i. **dependent business** suffering a **security failure** or **cyber attack** which would otherwise be covered under this section; or
- ii. covered **computer or digital technology error**.

Reputation protection

- e. Where shown on **your** schedule, **your public relations costs**.

We will also pay **your public relations costs** where these arise from a:

- i. **dependent business** suffering a **security failure** or **cyber attack** which would otherwise be covered under this section; or
- ii. by a covered **computer or digital technology error**.

Key person cover

- f. the reasonable and necessary costs incurred by **you** with **our** prior written agreement to engage a consultant to:
 - i. undertake the day-to-day work of a senior manager or director to the extent that such individual is unable to fulfil his or her usual responsibilities as a direct result of their time being diverted to the management of a covered **breach**, **security failure**, **illegal threat** or **cyber attack**; or
 - ii. manage **your** response to a covered **breach**, **security failure**, **illegal threat** or **cyber attack**, to enable a senior manager or director to fulfil his or her usual responsibilities.

Breach by suppliers

We will indemnify **you** against any **loss** falling within the scope of **What is covered, A. Your own losses**, a. **breach costs**, which arises as a result of any **breach** directly caused by a **dependent business**.

B. Cyber business interruption

If **you** have Cyber business interruption cover, please read **your** schedule to see if your **loss of income**, **increased costs of working** or **additional costs of working** are covered or if you will receive a **daily interruption benefit**.

Business interruption losses

If **you** suffer an **interruption** caused solely and directly by a covered:

1. **breach**;
2. **security failure**;

3. **illegal threat**; or
4. **cyber attack** against **your computer system**;

we will pay either:

- a. **your**:
 - i. **loss of income** and **increased costs of working**; or
 - ii. **loss of income, increased costs of working** and **additional increased costs of working**;
 resulting solely and directly from such **interruption**; or
- b. the **daily interruption benefit**.

Operational error
business interruption

If **you** suffer an **interruption** which is caused solely and directly by a covered **computer or digital technology error**, we will pay either:

- c. **your**:
 - i. **loss of income** and **increased costs of working**; or
 - ii. **loss of income, increased costs of working** and **additional increased costs of working**;
 resulting solely and directly from such **interruption**; or
- d. the **daily interruption benefit**.

Dependent business
interruption

If **you** suffer an **interruption** which is caused solely and directly by a **dependent business** suffering a **security failure** or **cyber attack** which would otherwise be covered under this section, we will pay either:

- e. **your**:
 - i. **loss of income** and **increased costs of working**; or
 - ii. **loss of income, increased costs of working** and **additional increased costs of working**;
 resulting solely and directly from such **interruption**; or
- f. the **daily interruption benefit**.

For the purposes of this cover, the **dependent business** shall be treated as '**you**' for the purposes of the definition of **security failure**.

C. Claims and investigations against you

If during the **period of insurance**, and in the course of **your business** or **advertising** within the **geographical limits**:

Privacy liability

1. any party brings a **claim** against **you** for any actual or alleged:
 - a. breach, violation or infringement of any right to privacy, consumer data protection law, or other legal protection for **personal data**;
 - b. breach of duty to maintain the security or confidentiality of **personal data**;
 - c. breach of any duty of confidence, including in respect of any confidential corporate information; or
 - d. breach of any contractual duty to maintain the security or confidentiality of **personal data**, including under a payment card processing agreement with any bank or payment processor;

Privacy investigations

2. **you** are the subject of a **privacy investigation**;

PCI liability

3. any party brings a **claim** against **you** for any actual or alleged breach of **PCI DSS**;

Online liability

4. any party brings a **claim** against **you** for any actual or alleged:
 - a. infringement of any intellectual property rights;

	<ul style="list-style-type: none"> b. defamation, including but not limited to libel, slander, trade libel, product disparagement or malicious falsehood; or c. breach of any licence; <p>which solely and directly arises from alterations or additions made by a hacker to the content of your business social media accounts or website;</p>
Network security liability	<p>5. any party brings a claim against you for any actual or alleged:</p> <ul style="list-style-type: none"> a. transmission of a virus; b. denial of service attack against a third party; or c. prevention of authorised electronic access to any computer system; <p>we will pay:</p> <ul style="list-style-type: none"> i. the amount agreed by you and us through negotiation or mediation to settle the claim or the amount to satisfy a judgment or arbitration award against you, including any judgment or award ordering you to pay claimants' lawyers' fees and costs; ii. any regulatory award; iii. PCI charges; iv. privacy forensic costs and privacy investigation costs; and v. defence costs, but we will not pay costs for any part of a claim, privacy investigation or investigation not covered by this section.
D. Your losses from crime	If during the period of insurance , and in the performance of your business within the geographical limits , a loss from crime is discovered , we will pay loss arising as a direct result of that crime . We will also pay your public relations costs .
E. Cyber property damage	If during the period of insurance and in the course of your business , any insured equipment is permanently disabled as a direct result of a security failure , cyber attack against your computer system , hacker or transmission of a virus , we will cover the costs of repairing or replacing the unusable part.
F. Additional covers	The following additional covers are provided up to the corresponding limit of indemnity shown on your schedule.
Repeat event mitigation	<p>Following any payment under What is covered A. to E. above, we will pay the reasonable and costs and expenses necessarily incurred by you with our prior agreement to:</p> <ul style="list-style-type: none"> 1. upgrade existing hardware or software forming part of your computer system; and 2. obtain risk management advice, <p>which is necessary to prevent or minimise the chance of a reoccurrence of the event that gave rise to the payment under this section.</p>
Directors' personal cyber	<p>If:</p> <ul style="list-style-type: none"> 1. any insured person suffers a direct financial loss; or 2. a claim is brought against an insured person; <p>in their personal capacity but which would have been covered under this section if the same claim had been brought against you or if you had suffered the same loss, we will cover the insured person under this section as if they were you.</p>
Court attendance compensation	If any individual within the definition of you or any employee , has to attend court as a witness in connection with a claim against you covered under this section, we will pay you the amount stated in your schedule as compensation for each day or part of a day that their attendance is required by us .

What is not covered In addition to the General exclusions set out in the General terms and conditions, the following exclusions also apply to this section of **your** policy.

- A. **We** will not make any payment for any **claim, loss** or any other liability under this section directly or indirectly due to:
- Breach of duty to customers 1. any **claim** under **What is covered, C. Claims and investigations against you**, 1. Privacy liability; or 5. Network security liability, arising directly out of any actual or alleged breach of any contractual or other duty by any person in the provision of products or services to **your** client or customer.
However, this does not apply where a **data subject** makes a **claim** directly against **you** relating to their own **personal data**.
- Infrastructure failure 2. any failure or interruption of service provided by an internet service provider, telecommunications provider, utilities supplier or other infrastructure provider including but not limited to physical transmission lines, satellite networks, core DNS root servers, IP addressing systems and certificate authorities.
However, this exclusion does not apply to a service where **you** directly control and provide such service as part of **your business**.
- Intellectual property 3. any actual or alleged infringement, use, misappropriation or loss of value of any intellectual property, including but not limited to patent, trade secret, copyright, trademark, trade dress, service mark, service name, title or slogan, or any publicity rights violations, cybersquatting violations, moral rights violations, or any act of passing-off. However, this exclusion does not apply to any otherwise covered **claim** under **What is covered, C. Claims and investigations against you**, 4. Online liability.
- Hack by director or partner 4. any individual **hacker** who is also a partner, director, trustee, in-house counsel or senior manager within the definition of **you**.
- Destruction of property 5. any loss, theft, damage, destruction or loss of use of any **property**. However, this does not apply to any:
a. **breach**, which is itself caused by the loss or theft of data;
b. **loss** covered under **What is covered, D. Your losses from crime**; or
c. damage covered under **What is covered, E. Cyber property damage**.
- Bodily injury 6. any death or bodily injury or disease suffered or alleged to be suffered by anyone. However, this exclusion does not apply to any part of a **claim** seeking damages for mental anguish or distress where such damages solely stem from a covered **claim** for defamation, breach of privacy or by a **data subject** relating to their own **personal data**.
- System degradation or performance 7. any:
a. degradation, deterioration or reduction in performance of **your computer or digital technology** caused gradually or as a result of the recommended use or **your** ordinary use of the system; or
b. loss of, reduction in or loss of use of bandwidth, unless caused by an identifiable **cyber attack**;
including where caused by increased use of the **computer or digital technology** or by steps taken by **you** to upgrade the system. However, this exclusion does not apply to any covered **loss** under **What is covered, B. Cyber business interruption**, Operational error business interruption.
- Outdated systems 8. the use by **you** of any software or systems that are unsupported by the developer.
- Seizure and confiscation 9. any confiscation, nationalisation, requisition, expropriation, appropriation, deprivation, seizure or destruction of property by or under the order of any government or public or local authority, or any order by such authority to take down, deactivate or block access to **your computer or digital technology**.
- Crime or damage to property caused by terrorism 10. any:
a. **crime** caused by or arising in connection with **terrorism**. This exclusion only applies to cover under **What is covered, D. Your losses from crime**; or

- b. damage to **property** caused by **terrorism**. This exclusion only applies to the cover under **What is covered, E. Cyber property damage**.

If there is any dispute between **you** and **us** over the application of this exclusion, it will be for **you** to show that this exclusion does not apply.

War	<p>11. Any war or cyber operation.</p> <p>Notwithstanding our burden of proof as the insurer, which shall remain unchanged by this clause, in determining attribution of a cyber operation to a state, we and you will consider such objectively reasonable evidence that is available to us. This may include formal or official attribution by the government of the state in which the computer system affected by the cyber operation is physically located to another state or those acting at its direction or under its control.</p>
Nuclear risks	<p>12. nuclear risks.</p>
Insolvency	<p>13. your insolvency or the insolvency of your suppliers, sub-contractors and outsourcers.</p>
Pre-existing problems	<p>14. anything likely to lead to a claim, loss or other liability under this section, which you knew or ought reasonably to have known about before we agreed to insure you.</p>
Dishonest and criminal acts	<p>15. any:</p> <ul style="list-style-type: none"> a. fraudulent, dishonest, malicious or criminal conduct intended to cause harm to another person or business, or any knowing or wilful violation of a law, whether committed by you or committed by another whose conduct or violation of the law you have ratified or actively condoned; or b. act you knew, or reasonably ought to have known at the time you performed it, would give rise to a claim, loss or any other liability under this section. This includes any statement you knew, or ought reasonably to have known, was defamatory at the time of publication. <p>However, this exclusion will not apply unless:</p> <ul style="list-style-type: none"> i. such conduct, violation of the law or act has been established by a final judgment in any judicial, administrative, or alternative dispute resolution proceeding; ii. such conduct, violation of the law or act has been established by your admission in a proceeding or otherwise; or iii. you or we discover evidence of such conduct, violation of the law or act; <p>at which time you shall reimburse us for all payments made by us in connection with such conduct, violation of the law or act and all of our duties in respect of that claim, loss or other liability under this section shall cease.</p>
Reckless conduct	<p>16. any conduct committed by you in reckless disregard of your or another person's or business' rights or your business interests.</p> <p>This exclusion does not apply to a covered claim for defamation. However, we will not in any event make any payment for any claim for defamation arising from any statement you knew, or ought reasonably to have known:</p> <ul style="list-style-type: none"> a. was defamatory at the time of publication; and <ul style="list-style-type: none"> i. was untrue; or ii. could not reasonably be proved by you to be true.
Personal social media	<p>17. any post from a social media account that does not belong to your business.</p>
Fraudulent use of your electronic identity	<p>18. the fraudulent or dishonest use of the electronic identity of your business. However, this exclusion does not apply to:</p> <ul style="list-style-type: none"> a. any covered claim or loss under What is covered, D. Your losses from crime; or b. any claim under What is covered, C. Claims and investigations against you arising as a direct result of a hacker.
Natural perils	<p>19. any:</p>

- a. physical cause or natural peril including, but not limited to, fire, flood, storm, lightning, frost, explosion or extremes of weather or temperature; or
- b. physical damage or physical loss arising in relation to **computer or digital technology**.

However, if **you** have purchased cover under **What is covered, E. Cyber property damage**, this exclusion does not apply to any physical damage or physical loss arising in relation to **computer or digital technology** directly caused by its digital connectivity to other **computer or digital technology**.

However, this exclusion 19.b. does not apply to any **claim, loss** or any other liability arising directly from a **breach**, which is itself caused by such natural peril.

- 20. any **loss of money, property or securities** unless covered under **What is covered, D. Your losses from crime**.

Use of payment cards

- 21. the use of any credit, debit, access, convenience, smart, identification or other cards of a similar nature.

However, this does not apply where such **loss** arises as a direct result of covered **dishonesty of an employee** as a result of an **employee's** use of any credit or debit card issued to such **employee** by **you** for the payment of valid business expenses incurred for or on behalf of **you**.

Non-fiat / virtual currency

- 22. any purchase, use or development of blockchain or any other distributed ledger technology, including but not limited to any:
 - a. non-fiat or virtual currency including but not limited to any crypto currency, asset, unit, coin, token or balance that exists only in or predominantly in digital or virtual form;
 - b. any currency which is, itself, based on or utilises blockchain or any other distributed ledger technology;
 - c. any initial coin offering or any other form of fundraising in respect of any new currency; or
 - d. smart contracts or non-fungible tokens.

However, this exclusion shall not apply to any covered **cyber ransom losses**.

Pollution

- 23. **pollution**.

Breach of financial or fiduciary duties

- 24. a. any liability or breach of any duty or obligation owed by **you** regarding the sale or purchase of any stocks, shares, or other securities, or the misuse of any information relating to them, including breach or alleged breach of any related legislation or regulation;
- b. any liability or breach of any duty or obligation owed by **you** regarding any express or implied statement or representation contained in **your** accounts, reports or financial statements, or concerning **your** financial viability;
- c. any breach of any taxation, competition, restraint of trade or anti-trust laws or regulations; or
- d. any breach of fiduciary duty owed by **you**.

Data reconstitution

- 25. any costs or loss associated with the reconstitution of your **data asset**, including but not limited to:
 - a. costs incurred after it has been established that **your data asset** cannot be replaced, restored or repaired, or access to it cannot be regained;
 - b. the economic value of **your data asset**, including the value of any trade secrets;
 - c. costs to restore, update, or replace **your data asset** to a level beyond that which existed prior to the event, unless **your data asset** can only be replaced, restored or repaired by purchasing a newer equivalent; or

	<ul style="list-style-type: none"> d. costs to research or develop your data asset or to recreate, gather or assemble facts, concepts or information needed to reproduce your data asset.
Unlawful or irregular cyber extortion payments	<p>26. any payment covered under What is covered, A. Your own losses, b. Cyber ransom losses if:</p> <ul style="list-style-type: none"> a. making the payment would be unlawful; b. you have not made all reasonable efforts to determine that the illegal threat is genuine and not a hoax; or c. the ransom was not paid under duress. <p>B. We will not make any payment under this section for:</p>
Claims brought by a related party	<p>1. any claim brought by any person or entity within the definition of you, any party with a financial, executive or managerial interest in you, including any parent company or any party in which you have a financial, executive or managerial interest or any employee.</p> <p>However, this exclusion does not apply to a claim covered under What is covered, C. Claims and investigations against you, 1. Privacy liability by employees or individuals within the definition of you.</p>
Fines, penalties and sanctions	<p>2. criminal, civil or regulatory sanctions, fines, penalties, disgorgement of profits, punitive damages, exemplary damages or multiple damages which you are legally obliged to pay, including but not limited to those imposed by any national or local governmental body or any licensing organisation.</p> <p>However, this exclusion does not apply to:</p> <ul style="list-style-type: none"> a. PCI charges; or b. regulatory awards.
Claims outside the applicable courts	<p>3. any claim, privacy investigation or investigation brought or commenced outside the applicable courts.</p> <p>This applies to proceedings in the applicable courts to enforce, or which are based on, a judgment or award from outside the applicable courts.</p>
Non-specific investigations	<p>4. any privacy investigation or investigation arising from any routine regulatory supervision, inquiry or compliance review, any internal investigation or any investigation into the activities of your industry which is not solely related to any actual or alleged breach, violation or infringement of any right to privacy, consumer data protection law, or other legal protection for personal data by you.</p>
Unauthorised tracking	<p>5. any claim, loss or privacy investigation arising from, contributed to by, relating to, or in connection with any actual or alleged monitoring, tracking or profiling of:</p> <ul style="list-style-type: none"> a. an individual without that individual's authorisation; or b. any computer system capable of storing personal data without authorisation, including, but not limited to, web-tracking, session recording, digital fingerprinting, behavioural monitoring, eavesdropping, wiretapping or audio or video recording committed by you or a third party.
C.	<p>In addition to the exclusions set out above, the following exclusions also apply to any loss, additional costs or defence costs covered under What is Covered, D. Your losses from crime.</p> <p>We will not make any payment:</p>
Trade secrets and confidential information	<p>1. arising from the theft or misappropriation of any trade secret or other confidential information, other than where it is used to facilitate an otherwise covered loss.</p>

Losses benefiting you or your owners	2. suffered by any entity within the definition of you to the benefit of any other entity within the definition of you , any of your shareholders or any entity or person who has any direct or indirect ownership or control rights over you .
Incidents after you become aware	3. arising from: <ol style="list-style-type: none"> a. any act, breach or omission committed by any employee after any of your partners, directors, trustees, in-house counsel or senior management in actual control of your operations discovered any crime being committed by, or in collusion with, such employee; b. anything which you knew about or ought reasonably to have known about before the date on which you first purchased a similar crime policy from us that has run continuously without a break in cover; or c. arising directly or indirectly due to any act, incident or event occurring, or any loss notified to any other policy of which this policy is a renewal or replacement.
Crime retroactive date	4. arising directly or indirectly due to any act, incident or event occurring, or any loss suffered before: <ol style="list-style-type: none"> a. the crime retroactive date; or b. the date of acquisition of any acquired entity.
Extortion or ransom	5. arising directly or indirectly due to extortion, kidnap or ransom of any kind, including but not limited to any ransomware payments.
Specific employee dishonesty	6. in respect of any crime which itself arises directly or indirectly due to any dishonest, fraudulent or malicious act of an employee acting alone or in collusion with others, other than loss of assets as a direct result of dishonesty of an employee .
Specific documents	7. involving any item which is or purports to be a traveller's cheque, traveller's letter of credit, bill of lading, shipping document, warehouse receipt, trust receipt, account receivable, or any other similar document or instrument unless such loss arises as a direct result of dishonesty of an employee or loss of assets .
Directors and officers	8. arising directly or indirectly due to any dishonest acts or omissions by any of your partners, directors, trustees, in-house counsel or senior management.
Unfamiliar languages	9. arising from any document , financial instrument or device that is fraudulently altered or which is counterfeit or a forgery unless it was in a form or language that was familiar to the individual that was deceived by it.
Property damage	10. arising from the loss , damage or destruction to or of any: <ol style="list-style-type: none"> a. office, premises or real estate, including any fixtures and fittings; or b. money, property or securities held by you on behalf of your customer, other than loss of assets as a direct result of dishonesty of an employee.
Fire and explosion	11. arising from fire, explosion, implosion or collapse, other than loss of assets as a direct result of dishonesty of an employee .
Source documents	12. arising directly or indirectly due to you , or a third party on your behalf, having acted or relied on any electronic data that was created using a source document that has been fraudulently altered or which is counterfeit or a forgery , other than where arising as a direct result of dishonesty of an employee or loss of assets .

How much we will pay

We will pay up to the overall limit of indemnity shown in **your** schedule for the total of all claims under each section or sections within **What is covered**, including all costs and expenses, unless limited below or otherwise in **your** schedule.

Any **claims** or losses which arise out of the same **breach, cyber attack, illegal threat or security failure** will be regarded as one claim. This includes such **claims** and losses arising after, as well as during, the **period of insurance**.

	The amount we pay for a particular type of claim or loss may be further limited in your schedule.
Excess	You must pay the relevant excess shown in your schedule.
72-hour excess waiver	If you notify us within 72 hours of your first awareness of any actual or reasonably suspected breach , the excess will not apply against any losses suffered as a result of the breach . This waiver of excess does not apply to any claim under What is covered, B., Cyber business interruption .
Overheads and business expenses	Any amounts to be paid by us shall not include or be calculated based on any of your overhead expenses, your liability for debt, taxes, lost costs or profits, salaries or wages ordinarily incurred in the performance of your business , your costs and expenses of preparing your claim, or any future cost of doing business, including but not limited to the cost of any future licence or royalty, or costs of improving your security or performing audits. However, this does not apply to any costs or expenses covered under What is covered, A. Your own losses , c. Cyber attack losses or What is covered, F. Additional covers , Repeat event mitigation.
Cyber business interruption	The amount we will pay for claims under What is covered, B., Cyber business interruption will be calculated in accordance with the following:
General	<ol style="list-style-type: none"> 1. We will pay for an interruption lasting longer than the applicable waiting period or time excess until the earliest of: <ol style="list-style-type: none"> a. the relevant part or parts of your computer system no longer being continuously interrupted and materially impaired; b. the indemnity period ending; or c. the limit, including any applicable sublimit, stated on your schedule being exhausted; <p>provided that you have taken all reasonable steps to prevent or minimise the interruption to your business and the impairment to your computer system.</p> 2. We will adjust the amount we pay for loss of income so that it reflects the result that would have been achieved if the interruption had not occurred. 3. If you are accountable to the tax authorities for Value Added Tax, the amount we pay will be exclusive of such tax
Loss of income	<ol style="list-style-type: none"> 4. For loss of income, we will pay the difference between your actual income during the indemnity period and the income it is estimated you would have earned during that period or, if this is your first trading year, the difference between your income during the indemnity period and during the period immediately prior to the interruption, less any savings resulting from the reduced costs and expenses you pay out of your income during the indemnity period. We will also pay for increased costs of working and additional increased costs of working if shown on your schedule. <p>All payments for loss of income, increased costs of working or additional increased costs of working will be subject to any time excess specified in your schedule. We will not make any payment under What is covered, B. Cyber business interruption for any loss or expense you suffer during the period of the time excess. Please note that the amount we pay for your loss of income should reflect the result that would have been achieved by you if an interruption had not occurred and will not take into account any unwillingness of any customer or client of yours to purchase your goods or services.</p>
Daily interruption benefit	<ol style="list-style-type: none"> 5. For daily interruption benefit, we will pay you the daily interruption benefit for an interruption lasting longer than the waiting period. The daily interruption benefit is specified in your schedule and is a daily loss amount.
Crime	Where we replace items which are covered under What is covered, D. Your losses from crime , we will pay the lesser of: <ol style="list-style-type: none"> 1. the cost price of the covered items to you; or

Damage to your insured equipment	<p>2. the trade market value of the covered items at the time of your loss.</p> <p>For physical damage to insured equipment covered under What is covered, E. Cyber property damage, at our option we will cover the costs of repairing or replacing the unusable part, not including any data recovery costs. Where we pay the costs of replacing the unusable part, we will pay the lesser of:</p> <ol style="list-style-type: none"> 1. the price you paid for the insured equipment; or 2. the trade market value of the insured equipment at the time of your loss.
Repeat event mitigation	<p>The most we will pay under What is covered, F. Additional covers, Repeat event mitigation is 10% of the amount of the corresponding claim, loss or liability, or the amount shown on your schedule, whichever is lower.</p> <p>For the costs of upgrading software covered under What is covered, F. Additional covers, Repeat event mitigation, where any such upgrade requires the purchase of a software license, the most we will pay is the cost of a license for 12 months.</p> <p>Any amount we pay under What is covered, F. Additional covers, Repeat event mitigation, is included within and not in addition to the corresponding limit of indemnity for the event that gave rise to the payment of such mitigation costs.</p>
Directors' personal cover	<p>Any amount we pay under What is covered, F. Additional covers, Directors' personal cover, is included within and not in addition to the overall limit of indemnity for the section within What is covered under which the claim or loss would have been covered if it were brought against, or suffered by, you.</p>
Non-sterling losses	<p>All sums payable under this section of the policy will be paid in Pounds Sterling. Where any amount under this policy has been suffered or incurred in a different currency, we will calculate the amount of our payment by reference to the relevant exchange rate on the day the loss was suffered or the cost or expense incurred. For the purposes of calculating such amounts, where listed, we will use the exchange rate published in the Financial Times on the day the loss was suffered or the cost or expense incurred (or the next day on which the Financial Times is published if it is not published on the day in question).</p>
Paying out the limit of indemnity	<p>At any stage of a claim, loss or other liability under this section, we can pay you the applicable limit of indemnity or what remains after any earlier payment from that limit. We will pay covered costs and expenses already incurred at the date of our payment. We will then have no further liability for that claim, loss or liability, including any costs or expenses.</p>
Recoveries	<p>Following a payment under this policy any recoveries will be made in the following order:</p> <ol style="list-style-type: none"> 1. any costs and expenses incurred in relation to the recovery will be paid first; 2. any losses suffered by you in excess of the limit of indemnity will be paid second; 3. amounts paid by us under this section will be paid third; and 4. the excess will be reimbursed fourth.

Your obligations

If a problem arises	<ol style="list-style-type: none"> 1. We will not make any payment under this section unless you notify us promptly within the period of insurance, or at the latest within 14 days after it expires for any problem you first become aware of in the seven days before expiry, of your first awareness of: <ol style="list-style-type: none"> a. any claim, loss or other liability under this section; or b. anything which is likely to give rise to a claim, loss or other liability under this section. <p>If we accept your notification we will regard such claim, loss or other liability as notified to this insurance.</p> <p>You must not appoint any third party to assist with any covered claim, loss or liability without our prior written agreement.</p>
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In the event a crime is discovered	2. You must, at your expense, provide us with a detailed proof of loss setting out the precise nature of the crime and the loss claimed under this policy within six months of the crime being discovered . If you do not, we may reduce any payment we make under this section by an amount equal to the detriment we have suffered as a result.
If a business interruption loss is suffered	3. You must keep a record of all amounts owed to you and keep a copy of the record away from the insured premises and provide copies to us promptly on request. You must, at your expense, provide us with a detailed written proof of loss setting out the precise nature of the loss claimed under this policy . If you do not, we may reduce any payment we make under this section by an amount equal to the detriment we have suffered as a result.
Cyber extortion	4. We will not make any payment under What is covered, A. Your own losses , b. Cyber ransom losses unless: <ol style="list-style-type: none"> a. an individual within the definition of you agreed to the payment of the ransom or the surrender of the goods or services; b. you inform, or allow us to inform, the appropriate law enforcement authorities where any illegal threat was made; and c. you keep us fully informed as soon as possible of all developments concerning any illegal threat or ransom demand
Cyber attack losses	5. If you suffer a loss under What is covered, A. Your own losses , c. Cyber attack losses, you must take all reasonable steps to negotiate with the supplier of any services to reduce or waive any charges relating to services that were not legitimately incurred for the purposes of your business . If you do not, we may reduce any payment we make under this section by an amount equal to the detriment we have suffered as a result.
Admissions and offers	6. When dealing with any client or third-party, you must not admit that you are liable for what has happened or make any offer, deal or payment, unless you have our prior written agreement. If you do, we may reduce any payment we make under this section by an amount equal to the detriment we have suffered as a result.
Crime losses	7. If you suffer a loss under What is covered, D. Your losses from crime , you must give us all assistance we reasonably require to pursue a recovery against your client, in your name but at our expense.

Control of response and defence

Response and defence arrangements	<p>We have the right, but not the obligation, to take control of and conduct in your name, the investigation, settlement, mitigation or defence of any claim, loss, privacy investigation, or other liability.</p> <p>You must give us the information and co-operation which we may reasonably require and take all reasonable steps to mitigate or defend any claim, loss, privacy investigation, or other liability. You should not do anything which may prejudice our position.</p>
Appointment of legal representation	<p>We have the right, but not the obligation, to select and appoint an adjuster, lawyer, cyber security consultant, forensic investigator, PR consultant or any other appropriate person of our choosing to deal with the claim, loss, privacy investigation, or other liability.</p> <p>We will only pay defence costs, or any other covered costs or expenses where these have been incurred with our prior written consent, by a person or organisation appointed to support you with our prior written consent.</p>
Partially covered claims	<p>We will not pay any part of a claim, loss, privacy investigation, or other liability or any associated costs or expenses which are not covered by this section.</p> <p>If a claim, loss, privacy investigation, or other liability arises, which is not wholly covered by this section or is brought against you and any other party who is not covered under this section, then at the outset, we and you agree to use best efforts to determine a fair allocation</p>

of covered and non-covered parts of any **claim, loss, privacy investigation**, or other liability or associated costs and expenses, including **defence costs** on the basis of the relative legal and financial exposures.

Advancement of
defence costs

We will pay **defence costs** and costs or expenses associated with a **loss** or any other liability covered by this section on an ongoing basis prior to the final resolution. However, **we** will not pay any **defence costs**, costs or expenses in connection with any **claim, loss, privacy investigation**, or other liability or partial **claim, loss, privacy investigation**, or other liability which is not covered under this section. **You** must reimburse **us** for any **defence costs**, costs or expenses paid where it is determined there is no entitlement under this section.

Paying of full
limit of indemnity

We have no further duty to indemnify **you** against any **claim, loss, privacy investigation**, or other liability under this section where we pay **you** the applicable limit of indemnity as described in **How much we will pay**, Paying out the limit of indemnity, or if the overall limit of indemnity stated in **your** schedule has been exhausted.

Payment of excess

Our duty to make any payment under this section arises only after the applicable **excess** is fully paid. The **excess** will only be eroded by the covered parts of a **claim, loss, privacy investigation**, or other investigation.

Disputes

For the purposes of **control of response and defence** in this section of the **policy**, **General condition 14**, Arbitration, within the **General terms and conditions** is amended to read as follows:

Any dispute as to whether to settle or to continue the defence or mitigation of a **claim, loss** or other liability or as to the fair allocation of any partially covered **claim, loss, privacy investigation**, or other liability and any associated costs or expenses, will be referred to a single King's Counsel (or equivalent in any other jurisdiction) to be mutually agreed or in the absence of such agreement to be nominated by the President of the Law Society of England and Wales. The opinion of such King's Counsel shall be binding on **you** and **us** in relation to matters referred under this clause. The costs of such opinion shall be met by **us**.