

This Declaration Page is attached to and forms part of certificate provisions (Form SLC-3).

Previous No. «f1» Authority Ref. No. 1%818 Certificate No. «f2»

e-MD™

THIS CERTIFICATE IS WRITTEN ON A CLAIMS MADE AND REPORTED BASIS. IT COVERS ONLY CLAIMS FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD AND REPORTED TO UNDERWRITERS NO LATER THAN SIXTY (60) DAYS AFTER THE EXPIRATION OF THE POLICY.

Item 1. **Named Insured:** «f3» «f4»
Principal Address: «f5» «f12»
«f6», «f7» «f8»

Item 2. **Policy Period:** «f9» to «f10»
both days at 12:01 a.m. standard time at the principal address stated in Item 1.

Item 3. **Limits of Liability:**

i) Limits of Liability for Insurance Agreement(s) Purchased:

	Purchased	
A. Network Security and Privacy Insurance:	<input type="checkbox"/>	\$ «f11» per Claim and in the aggregate
B. Regulatory Fines and Penalties Insurance:	<input type="checkbox"/>	\$ «f12» per Claim and in the aggregate
C. Patient Notification and Credit Monitoring Costs Insurance:	<input checked="" type="checkbox"/>	\$ «f13» per Claim and in the aggregate
D. Data Recovery Costs Insurance:	<input type="checkbox"/>	\$ «f14» per Claim and in the aggregate

ii) Maximum Policy Aggregate Limit of Liability: \$ «f16»

Item 4. **Retention:**

A. Network Security and Privacy Insurance:	\$	«f17» per Claim
B. Regulatory Fines and Penalties Insurance:	\$	0.00 per Claim
C. Patient Notification and Credit Monitoring Costs Insurance:	\$	«f17» per Claim
D. Data Recovery Costs Insurance:	\$	500.00 per Claim

Item 5. **Retroactive Date:**

A. Network Security and Privacy Insurance:	«f19»
B. Regulatory Fines and Penalties Insurance:	«f20»
C. Patient Notification and Credit Monitoring Costs Insurance:	«f21»
D. Data Recovery Costs Insurance:	«f22»

Item 5. **Retroactive Date:**

A. Network Security and Privacy Insurance:	«f19»
B. Regulatory Fines and Penalties Insurance:	«f20»
C. Patient Notification and Credit Monitoring Costs Insurance:	«f21»
D. Data Recovery Costs Insurance:	«f22»

Item 6. **Premium:** \$«f45»

Item 7. **Endorsements:** Nuclear Incident Exclusion Clause (E1847B-0605)
War and Civil War Exclusion Clause (E1847C-0108)
Terrorism Exclusion Endorsement (E1847D-0108)

e-MD™ INSURANCE POLICY

(Claims Made and Reported Basis)

This **Policy** contains Insuring Agreements A through D. This **Policy** only affords coverage under those Insuring Agreements that are indicated as purchased in Item 3. of the Declarations. Insuring Agreements A and B are provided on a Claims-Made and Reported basis. Insuring Agreements C and D provide for certain first party coverages. Various provisions in this **Policy** restrict coverage. Read the entire **Policy** carefully to determine rights, duties, and what is and is not covered.

Throughout this **Policy** the words “you” and “your” refer to the **Named Insured** shown in the Declarations. The words “we,” “us,” and “our” refer to the Underwriters providing this insurance. The word “**Insured**” means any person or organization qualifying as such under the definition of **Insured**. Other words and phrases that appear in **bold** have special meaning as described in the definitions found in this **Policy**.

In consideration of payment of the premium, in reliance upon the statements made in the **Application**, which is made a part of and deemed attached to this **Policy**, and subject to the Declarations and the limitations, conditions, provisions, and other terms of this **Policy**, the Underwriters and the **Insureds** agree as follows:

I. INSURING AGREEMENTS

A. Network Security and Privacy Insurance

If Insuring Agreement A, Network Security and Privacy Insurance, is purchased, we will pay on behalf of an **Insured** the **Loss and Defense Costs** the **Insured** becomes legally obligated to pay as a result of a **Claim** first made against such **Insured** during the **Policy Period**, or the Extended Reporting Period, if applicable, and reported to Underwriters in accordance with **Part VI. Notice Provisions**, for any **Network Security Wrongful Act** or **Privacy Wrongful Act** taking place after the applicable **Retroactive Date**.

B. Regulatory Fines and Penalties Insurance

If Insuring Agreement B, Regulatory Fines and Penalties Insurance, is purchased, we will pay on behalf of an **Insured** the **Regulatory Fines and Penalties** the **Insured** becomes legally obligated to pay as a result of a **Claim** first made against such **Insured** during the **Policy Period**, or the Extended Reporting Period, if applicable, and reported to Underwriters in accordance with **Part VI. Notice Provisions**, for any **Privacy Wrongful Act** taking place after the applicable **Retroactive Date**.

C. Patient Notification and Credit Monitoring Costs Insurance

If Insuring Agreement C, Patient Notification and Credit Monitoring Costs Insurance, is purchased, we will pay **Patient Notification Costs and Credit Monitoring Costs** incurred by an **Insured** during the **Policy Period**, with Underwriters’ prior written consent, by reason of a **Claim** reported to Underwriters in accordance with **Part VI. Notice Provisions**, for any **Privacy Wrongful Act** taking place after the applicable **Retroactive Date**.

D. **Data Recovery Costs Insurance**

If Insuring Agreement D, Data Recovery Costs Insurance, is purchased, we will pay **Data Recovery Costs** incurred by an **Insured** during the **Policy Period**, with Underwriters' prior written consent, by reason of a **Claim** reported to Underwriters in accordance with **Part VI. Notice Provisions**, for a **Data Interference Act** taking place after the applicable **Retroactive Date**.

II. **DEFENSE AND SETTLEMENT OF CLAIMS**

- A. We have the right and duty to defend any **Claim** covered by the **Policy** even if the allegations of the **Claim** are groundless, false or fraudulent. We have the right to appoint defense counsel and to investigate any **Claim** as we deem necessary. We shall not be obligated to investigate, defend, pay or settle any **Claim** after the applicable Limits of Liability, as stated in Item 3.i) of the Declarations, have been exhausted by payment of **Loss, Defense Costs, Regulatory Fines and Penalties, Patient Notification and Credit Monitoring Costs or Data Recovery Costs**.
- B. The **Insureds** will not incur any **Loss, Defense Costs, Regulatory Fines and Penalties, Patient Notification and Credit Monitoring Costs or Data Recovery Costs** or settle, or offer to settle any **Claim**, assume any contractual obligation, admit liability, voluntarily make any payment or confess or otherwise consent to any damages or judgments with respect to any **Claim** without our prior written consent, which will not be unreasonably withheld. We will not be liable for any **Loss, Defense Costs, Regulatory Fines and Penalties, Patient Notification and Credit Monitoring Costs or Data Recovery Costs** settlement, assumed obligation, admitted liability, voluntary payment, or confessed damages or judgments to which we have not consented.
- C. We have the right to settle any **Claim** in the manner and to the extent that we believe is proper; however, we will not settle any **Claim** without your consent. If you refuse to consent to any settlement recommended by us or our representatives and you elect to contest the **Claim** or continue any legal proceedings in connection with such **Claim**, then our liability for such **Claim** shall not exceed the amount for which we could have settled the **Claim** plus **Defense Costs** incurred as of the date you withheld consent to such settlement. Our obligation to pay shall in all events be subject to the provisions of **Part V. Limits of Liability and Retentions**.

III. **DATA RECOVERY COSTS ADJUSTMENT (Insuring Agreement D only)**

- A. In the event that **Data** belonging to an **Insured** has been compromised, damaged, lost, erased, eradicated, altered, corrupted or tainted by reason of a **Data Interference Act**, the **Insured** shall, as soon as practicable following notification to Underwriters in accordance with the Notice provisions, provide to Underwriters a written statement detailing: 1) the harm or damage known to have resulted from the **Data Interference Act**; 2) the circumstances under which the **Insureds** first discovered the **Data Interference Act**; 3) the proposed plan for remediation and/or recovery of said **Data**, including the name and identity of the professional or consultant proposed for carrying out the remediation and/or recovery; 4) the proposed or estimated costs of the remediation and/or recovery;

and 5) the proposed date and time for both commencing and completing such remediation and/or recovery.

- B.** No **Data Recovery Costs** shall be incurred without Underwriters' prior written consent, and Underwriters shall not be responsible to pay or reimburse the **Insureds** for any **Data Recovery Costs** that were not so approved. Notwithstanding the foregoing, an **Insured** may incur **Data Recovery Costs** without Underwriters' prior written approval if the circumstances are such that there is no practical or reasonable opportunity to obtain Underwriters' prior written consent and the exigencies then and there existing require immediate action to mitigate the potential for damages or harm to an **Insured** or to third parties.

IV. DEFINITIONS

- A.** **Application** means all applications, including attachments and submitted materials, for this **Policy** or for any policy of which this **Policy** is a renewal or replacement. All such applications, attachments, and materials are deemed attached to and incorporated into this **Policy**.

- B.** **Bodily Injury** means physical injury, sickness, disease, pain or death, and, if arising out of the foregoing, mental anguish, mental injury, shock, humiliation or emotional distress sustained by a person at any time.

- C.** **Claim** means:

1. with respect to Insuring Agreement A only:
 - a. any written demand for monetary damages or other non-monetary relief against an **Insured**;
 - b. any civil proceeding or arbitration proceeding against an **Insured**, commenced by the service of a complaint or similar pleading or notification;
 - c. any written request to toll or waive a statute of limitations relating to a potential **Claim** against an **Insured**, including any appeal therefrom; or
 - d. a **Government Investigation** commenced against an **Insured** by letter notification, complaint, order of investigation or subpoena.

A **Claim** under Insuring Agreement A will be deemed to be first made when any of the foregoing is first received by an **Insured**.

2. with respect to Insuring Agreement B only, a **Government Investigation** commenced against an **Insured** by letter notification, complaint, order of investigation or subpoena. A **Claim** under Insuring Agreement B will be deemed to be first made when it is first received by an **Insured**.
3. with respect to Insuring Agreement C only, a written report by an **Insured** to Underwriters of an actual or potential **Privacy Wrongful Act**. A **Claim**

under Insuring Agreement C will be deemed to be first made when such written report is received by Underwriters.

4. with respect to Insuring Agreement D only, a written report by an **Insured** to Underwriters of a **Data Interference Act** in accordance with the provisions of **Part III. Data Recovery Costs Adjustment**. A **Claim** under Insuring Agreement D will be deemed to be first made when such written report is received by Underwriters.

- D. Data** means any and all information stored, recorded, appearing or present in or on the **Insured's** computer systems, electronic communication systems, devices and telephony, including, but not limited to, information stored, recorded, appearing or present in or on the **Insured's** electronic and computer databases, the Internet, intranet, extranet and related websites, facsimile and electronic mail.
- E. Data Interference Act** means any act by a party other than an **Insured** that occurs during the **Policy Period** and is carried out without an **Insured's** consent or knowledge, whether intentional, malicious, reckless or negligent, which act causes harm or damage to the **Data** maintained by an **Insured**, including but not limited to interference with, or intrusion or incursion into, any of the **Insured's** computer systems, electronic communication systems, devices and telephony, including, but not limited to, the **Insured's** electronic and computer databases, the Internet, intranet, extranet and related websites, facsimile and electronic mail.
- F. Data Recovery Costs** means all reasonable and necessary sums required to recover and/or replace **Data** that is compromised, damaged, lost, erased, eradicated, altered, corrupted or tainted by reason of a **Data Interference Act**, including but not limited to the costs associated with the repair or replacement of any software that is compromised, damaged, lost, erased, eradicated, altered, corrupted or tainted by reason of a **Data Interference Act**. **Data Recovery Costs** shall not include: 1) costs of repairing or replacing any hardware, equipment or wiring; 2) wages, salaries or other compensation or income of any **Insureds**; or 3) costs of recovering or replacing data for any third party, or any data that was not within the care, custody or control of the **Insured**.
- G. Defense Costs** means reasonable and necessary fees, costs and expenses incurred in the investigation, defense and appeal of any covered **Claim** under Insuring Agreement A; but **Defense Costs** shall not include any wages, salaries, or other compensation or income of any **Insured**.
- H. Government Investigation** means an investigation conducted by any federal, state or local government agency or authority, the subject matter of which is a **Privacy Wrongful Act** committed by an **Insured**.
- I. Insured** means any of the following persons or entities:
1. each and every **Named Insured**;
 2. any **Subsidiary** of the **Named Insured**;

3. any current or former partner, director, officer or employee of any **Named Insured** or **Subsidiary**, but only with respect to the performance of his or her duties as such on behalf of the **Named Insured** or **Subsidiary**;
4. any independent contractor for any **Named Insured** or **Subsidiary**, but only with respect to the performance of his or her duties as such on behalf of the **Named Insured** or **Subsidiary**;
5. the estate, heirs, executors, administrators and legal representatives of any **Insured**, in the event of the **Insured's** death, incapacity, insolvency or bankruptcy, but only to the extent such **Insured** otherwise would have been entitled to coverage under this **Policy**.

J. Interrelated Data Interference Acts means more than one **Data Interference Act** which have as a common nexus any fact, circumstance, situation, event, transaction, cause or series of related facts, circumstances, situations, events, transactions or causes.

K. Interrelated Network Security Wrongful Acts means more than one **Network Security Wrongful Act** which have as a common nexus any fact, circumstance, situation, event, transaction, cause or series of related facts, circumstances, situations, events, transactions, or causes.

L. Interrelated Privacy Wrongful Acts means more than one **Privacy Wrongful Act** which have as a common nexus any fact, circumstance, situation, event, transaction, cause or series of related facts, circumstances, situations, events, transactions, or causes.

M. Loss means the amount that an **Insured** is legally obligated to pay solely on account of a covered **Claim** under Insuring Agreement A, including but not limited to, damages and judgments (including prejudgment and post-judgment interest awarded against an **Insured** on that part of any judgment paid or to be paid by Underwriters); settlements negotiated with our consent; punitive and exemplary damages where insurable; and any legal fees and costs awarded pursuant to such judgments.

Loss does not include: (1) taxes; (2) any amount for which the **Insured** is absolved from payment; (3) amounts owed under any contract; (4) any return, withdrawal, restitution or reduction of professional fees, profits or other charges; (5) the multiple portion of any multiplied damages; (6) **Regulatory Fines and Penalties**; or (7) any matters that are uninsurable under applicable law.

For the purpose of determining the insurability of punitive damages or exemplary damages under this **Policy**, the laws of the jurisdiction most favorable to the insurability of such damages shall control, provided that such jurisdiction is: (1) the location of the court which awarded or imposed such punitive damages; (2) where the **Named Insured** is incorporated or otherwise organized or has a place of business; or (3) where Underwriters are incorporated or otherwise organized or have their place of business.

N. Named Insured means the entity specified in Item 1. of the Declarations.

- O. Network Security Wrongful Act** means an actual or alleged act, error or omission by an **Insured**, including an unauthorized act by an employee, which results in the unauthorized access or unauthorized use of the **Named Insured's** computer system, the consequences of which include, but are not limited to:
1. the failure to prevent unauthorized access to, use of, or tampering with a third party's computer systems;
 2. the inability of an authorized third party to gain access to the **Insured's** services;
 3. the failure to prevent denial or disruption of Internet service to an authorized third party;
 4. the failure to prevent identity theft or credit/debit card fraud; or
 5. the inadvertent transmission of harmful or corrupt software code, including but not limited to computer viruses, Trojan horses, worms, logic bombs, spyware or spiderware.
- P. Patient Notification and Credit Monitoring Costs** means all reasonable and necessary expenses incurred by an **Insured**, with Underwriters' prior written consent, in notifying third persons of any actual or potential **Privacy Wrongful Act**, including, but not limited to: 1) legal expenses; 2) computer forensic and investigation fees; 3) public relations expenses; 4) postage expenses; 5) advertising expenses; and 4) the costs of credit monitoring services provided to affected individuals for up to a period of 12 months from the date of enrollment in such credit monitoring services.
- Q. Policy** means, collectively, the Declarations, the **Application**, this **Policy** form, and any endorsements.
- R. Policy Period** means the period of time specified in Item 2. of the Declarations, subject to any prior cancellation as described in **Part VIII. General Terms and Conditions, O. Cancellation**.
- S. Privacy Wrongful Act** means any of the below, whether actual or alleged, but only if committed or allegedly committed by an **Insured**:
1. wrongful entry or eviction, trespass, eavesdropping, false arrest or malicious prosecution, outrage or outrageous conduct;
 2. breach of confidence; invasion, infringement, interference or violation of any rights to privacy including, but not limited to, breach of your privacy statement, breach of a person's right of publicity, false light or intrusion upon a person's seclusion; failure to properly handle, manage, store, destroy or otherwise control a person's private information in any format; intrusion or misappropriation of a person's name or likeness for commercial gain; or

3. any breach or violation of U.S. federal, state or local statutes and regulations associated with the control and use of personally identifiable financial or medical information, including but not limited to:
 - a. Health Insurance Portability and Accountability Act of 1996 (Public Law 104-191) ("HIPAA"), including Title II which requires protection of confidentiality and security of electronic protected health information, and the rules and regulations promulgated thereunder as they currently exist and as amended, including related state medical privacy laws as they currently exist and as amended;
 - b. Gramm-Leach-Bliley Act of 1999 (G-L-B), also known as the Financial Services Modernization Act of 1999, including sections concerning security protection and standards for customer records maintained by financial services companies, and the rules and regulations promulgated thereunder as they currently exist and as amended;
 - c. State Attorneys General and Federal Trade Commission enforcement actions regarding the security and privacy of consumer information;
 - d. Governmental privacy protection regulations or laws, such as California Database Protection Act of 2003 (Cal. SB 1386) and California A.B. 1950, as they currently exist now or in the future, which require commercial Internet sites or on-line services that collect personal information or medical information (as defined by such laws or acts) to post privacy policies and adopt specific privacy controls or to notify those impacted by identity or data thief, abuse or misuse; and
 - e. Federal and state consumer credit reporting laws, such as the federal Fair Credit Reporting Act (FCRA) and the California Consumer Credit Reporting Agencies Act (CCCRAA).

- T. Property Damage** means injury to tangible property, including all resulting loss of use of that property, and loss of use of tangible property that is not physically injured.
- U. Regulatory Fines and Penalties** means any administrative fines and penalties an **Insured** is required to pay as a result of a covered **Government Investigation**.
- V. Retroactive Date** means the applicable date specified in Item 5. of the Declarations.
- W. Subsidiary** means any entity in which the **Named Insured** owns, directly or indirectly, more than 50% of the outstanding securities representing the present right to vote for the election of such entity's governing body, if such entity:

1. was so owned prior to the inception date of this **Policy** and was insured under a policy issued by Underwriters of which this **Policy** is a renewal;
2. was so owned on the inception date of this **Policy**; or
3. was created or acquired after the inception date of this **Policy**, as described in **Part VIII. General Terms and Conditions, D. Changes in Exposure**, subsection 2.

V. LIMITS OF LIABILITY AND RETENTIONS

A. Limits of Liability for Insuring Agreement(s) Purchased

1. With respect to Insuring Agreement A:

The amounts set forth in Item 3.i) of the Declarations for Insuring Agreement A shall be our maximum Limits of Liability under that Insuring Agreement for the sum of all **Loss** and **Defense Costs** on account of each **Claim** first made against an **Insured** during the **Policy Period**, and in the aggregate.
2. With respect to Insuring Agreement B:

The amounts set forth in Item 3.i) of the Declarations for Insuring Agreement B shall be our maximum Limits of Liability under that Insuring Agreement for the sum of all **Regulatory Fines and Penalties** imposed against an **Insured** on account of each **Claim** first made against an **Insured** during the **Policy Period**, and in the aggregate.
3. With respect to Insuring Agreement C:

The amounts set forth in Item 3.i) of the Declarations for Insuring Agreement C shall be our maximum Limits of Liability under that Insuring Agreement for the sum of all **Patient Notification and Credit Monitoring Costs** incurred by the **Insured** on account of each **Claim** first made during the **Policy Period**, and in the aggregate.

In excess of the applicable Retention amount, and subject to the maximum Limits of Liability under Insuring Agreement C, the **Insured** shall bear, uninsured and at its own risk, ten percent (10%) of **Patient Notification and Credit Monitoring Costs** resulting from each and every **Claim** covered under Insuring Agreement C. Our liability shall apply only to the remaining percentage of such **Patient Notification and Credit Monitoring Costs**.
4. With respect to Insuring Agreement D:

The amounts set forth in Item 3.i) of the Declarations for Insuring Agreement D shall be our maximum Limits of Liability under that Insuring Agreement for the sum of all **Data Recovery Costs** incurred by the **Insured** on account of each **Claim** first made during the **Policy Period**, and in the aggregate.

B. Maximum Policy Aggregate Limit of Liability

1. The amount set forth in Item 3.ii) of the Declarations shall be our maximum **Policy** aggregate Limit of Liability under all Insuring Agreements purchased for the sum of all **Loss, Defense Costs, Regulatory Fines and Penalties, Patient Notification and Credit Monitoring Costs** and **Data Recovery Costs**, on account of all **Claims** under this **Policy**.
2. **Loss, Defense Costs, Regulatory Fines and Penalties, Patient Notification and Credit Monitoring Costs** and **Data Recovery Costs** shall be part of, and not in addition to, the Limit of Liability set forth in Item 3.ii) of the Declarations, and payment of **Loss, Defense Costs, Regulatory Fines and Penalties, Patient Notification and Credit Monitoring Costs** and **Data Recovery Costs** shall reduce such Limit of Liability.
3. If our maximum **Policy** aggregate Limit of Liability, as set forth in Item 3.ii) of the Declarations, is exhausted by payment of **Loss, Defense Costs, Regulatory Fines and Penalties, Data Recovery Costs** or **Patient Notification and Credit Monitoring Costs**, or any combination thereof, our obligations under this **Policy** shall be deemed completely fulfilled and extinguished.
4. The Limits of Liability for the Extended Reporting Period, if purchased, shall be part of, and not in addition to, the Limits of Liability for the **Policy Period**. The purchase of the Extended Reporting Period shall not increase or reinstate the Limit of Liability set forth in Item 3.ii) of the Declarations, which shall be our maximum **Policy** aggregate liability for the sum of all **Loss, Defense Costs, Regulatory Fines and Penalties, Data Recovery Costs** and **Patient Notification and Credit Monitoring Costs** on account of all **Claims** first made during such **Policy Period** and Extended Reporting Period.

C. Retentions

1. We shall only be liable to pay **Loss, Defense Costs, Regulatory Fines and Penalties, Data Recovery Costs** or **Patient Notification and Credit Monitoring Costs** in excess of the applicable Retentions set forth in Item 4. of the Declarations, which shall be your uninsured responsibility.
2. The application of a Retention under one Insuring Agreement is separate from, and shall not reduce, the Retention under any other Insuring Agreement.

VI. NOTICE PROVISIONS

A. Notice of Claim

1. The **Insured** shall, as a condition precedent to their rights under this **Policy**, give our Authorized Representatives, as identified in Item 8. of the Declarations, written notice of any **Claim** as soon as practicable, but in no event later than sixty (60) days after the **Policy** expiration, or the Extended Reporting Period, if purchased. The **Insured** shall provide such Authorized Representatives with copies of all documentation comprising the **Claim** as well as all authorizations, cooperation, or assistance as we may require. With respect to Insuring Agreement D, the **Insured** shall also comply with the provisions of **Part III. Data Recovery Costs Adjustment** as a further condition precedent to coverage.
2. We are not obligated to pay any **Loss, Defense Costs, Regulatory Fines and Penalties, Patient Notification and Credit Monitoring Costs** or **Data Recovery Costs** (except as provided in **Part III. Data Recovery Costs Adjustment**) incurred prior to notification of a **Claim**.

B. Notice of Potential Claim

If, during the **Policy Period**, any **Insured** first becomes aware of any facts or circumstances which could give rise to a **Claim** covered under this **Policy**, and if the **Insured**, during the **Policy Period**, provides our Authorized Representatives, as identified in Item 8. of the Declarations, with written notice as soon as practicable of: a) such facts or circumstances; b) the nature of the alleged or potential damages; c) the identity of the potential claimants and **Insureds** involved; d) the manner in which the **Insured** first became aware of the facts or circumstances; and e) the consequences which have resulted or may result, then any **Claim** subsequently arising from such facts or circumstances will be deemed first made on the date such notice was given to Underwriters, and any **Patient Notification and Credit Monitoring Costs** or **Data Recovery Costs** subsequently incurred will be deemed first incurred on the date such notice was given to Underwriters.

VII. EXCLUSIONS

We are not obligated to defend any **Claim**, nor pay or reimburse any **Loss, Defense Costs, Regulatory Fines and Penalties, Data Recovery Costs** or **Patient Notification and Credit Monitoring Costs**:

- A.** Based upon, arising out of, or attributable to any **Network Security Wrongful Act, Privacy Wrongful Act** or **Data Interference Act**, or fact, circumstance, or situation:
1. That was the subject of written notice given under any prior policy of which this **Policy** is a renewal or replacement;
 2. That was the subject of any prior or pending written demand, administrative or arbitration proceeding or civil litigation against any **Insured**, or the same or substantially the same fact, circumstance, or situation underlying or alleged in the prior matter; or
 3. That was identified in any summary or statement of claims or potential claims submitted in connection with the **Application**; or

4. that any **Insured** had knowledge of prior to the inception date of this insurance, and which could reasonably be expected to give rise to a **Claim**.

B. For, based upon, arising from, or in any way related to:

1. The actual, alleged or threatened discharge, dispersal, release or escape of pollutants; or
2. Any direction, request or voluntary decision to test for, abate, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants, nuclear material or nuclear waste;

Pollutants include, but are not limited to, any solid, liquid, gaseous or thermal irritant or contaminant, including mold, smoke, vapor, soot, fumes, acids, alkalis, chemicals, odors, noise, lead, oil or oil products, radiation, asbestos or asbestos-containing products and waste, and any electric, magnetic or electromagnetic field of any frequency. Waste includes, but is not limited to, material to be recycled, reconditioned or reclaimed;

C. Based upon, arising out of, or attributable to liability of others assumed by an **Insured** under any contract or agreement, except to the extent the **Insured** would have been liable in the absence of the contract or agreement;

D. Based upon, arising out of, or attributable to any breach of contract, warranty or guarantee, except that with respect to allegations of breach of contract, this exclusion shall not apply to the extent the **Insured** would have been liable in the absence of such contract;

E. Based upon, arising out of, or attributable to any business, joint venture or enterprise not named in the Declarations which is owned, controlled, operated or managed in whole or in part by an **Insured**; nor will this **Policy** respond to any **Claim** arising out of, based upon, attributable to, or alleging any conduct, act, error or omission of any **Insured** serving in any capacity other than as your principal, partner, officer, director or employee;

F. Based on, arising out of, or in any way involving an **Insured** gaining in fact any profit, remuneration or financial advantage to which such party was not legally entitled;

G. For, based upon, or arising from any deliberately dishonest, malicious or fraudulent act or omission or any willful violation of law by an **Insured**, if judgment or other final adjudication adverse to the **Insured** establishes such an act, omission or willful violation; however, this Exclusion shall not apply to any **Insured** that did not commit, participate in, or have knowledge of any such act, omission or violation of law described in this exclusion;

H. That is covered under any General Liability, Comprehensive General Liability, or other Professional Liability Insurance Policy;

- I. For, based upon, arising out of, or in any way related to the False Claims Act, or any similar federal or state law, rule or regulation concerning billing errors or fraudulent billing practices or abuse;
- J. For, based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving infringement of any patent or trade secret;
- K. For, based upon, arising from, or in any way related to price fixing, restraint of trade or a violation of any securities, anti-trust or consumer protection laws;
- L. Based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any employment or employment-related matters;
- M. For, based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any actual or alleged **Bodily Injury** or **Property Damage**;
- N. Based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving harassment or discrimination, including, but not limited to, harassment or discrimination because of, or relating to, race, creed, color, age, sex, sexual orientation or preference, national origin, religion, handicap, disability, political affiliation or marital status;
- O. Based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any actual or alleged electrical failure, including electrical power interruption, surge, brownout or blackout;
- P. Based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any actual or alleged malfunction or defect of any hardware, equipment or component, except that this exclusion shall not apply where the malfunction or defect is solely the result of an **Insured's** negligence;
- Q. Brought by or on behalf of an **Insured** or any entity that is owned, in whole or in part, by an **Insured**, or any entity directly or indirectly controlled, operated or managed by an **Insured**, or any entity or person that is a parent, affiliate, subsidiary, or joint venturer of any entity or person in which or with which an **Insured** is a partner. This Exclusion shall not apply to an otherwise covered **Claim** by an employee alleging a breach or violation of U.S. federal, state and local statutes and regulations as set forth in **Definition S. Privacy Wrongful Act**, part 3.;
- R. For, based upon, arising from, or in any way related to a violation of any of United States of America's economic or trade sanctions, including but not limited to, sanctions administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC");
- S. Based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving the **Insured's** failure to render professional services;

- T. Based upon, directly or indirectly resulting from, in consequence of, or in any way involving loss of business income arising from the interruption, suspension or degradation of an **Insured's** own computer network.
- U. Based upon, arising out of, directly or indirectly resulting from, in consequence of, or in way involving:
 - 1. any **Network Security Wrongful Act, Privacy Wrongful Act** or **Data Interference Act** actually or allegedly occurring prior to the applicable **Retroactive Date**; or
 - 2. any other **Network Security Wrongful Act, Privacy Wrongful Act** or **Data Interference Act** actually or allegedly occurring on or subsequent to the applicable **Retroactive Date** which, together with a **Network Security Wrongful Act, Privacy Wrongful Act** or **Data Interference Act** actually or allegedly occurring prior to such date would constitute **Interrelated Network Security Wrongful Acts, Interrelated Privacy Wrongful Acts** or **Interrelated Data Interference Acts**.

VIII. GENERAL TERMS AND CONDITIONS

A. Extension of Coverage to Spouses

The coverage afforded under this **Policy** will, subject to the terms and conditions, limitations, and exclusions, be extended to apply to **Loss** and **Defense Costs** resulting from a **Claim** against a person who, at the time the **Claim** is made, is a lawful spouse or domestic partner of any natural person who is an **Insured**, but only if: (a) such spouse or domestic partner is the subject of any **Claim** because of marriage or domestic partnership to any such natural person **Insured**; and (b) such **Insured** and his or her spouse are represented by the same counsel in connection with such **Claim**.

B. Interrelated Claims, Interrelated Data Recovery Costs and Interrelated Patient Notification and Credit Monitoring Costs

- 1. More than one **Claim** arising out of the same **Network Security Wrongful Act, Privacy Wrongful Act** or **Data Interference Act** or **Interrelated Network Security Wrongful Acts, Interrelated Privacy Wrongful Acts** or **Interrelated Data Interference Acts** shall be deemed one **Claim**, and such **Claim** shall be deemed to be first made on the date the earliest of such **Claims** is first made, regardless of whether such date is before or during the **Policy Period**.
- 2. All **Data Recovery Costs** attributable to the same **Data Interference Act** or **Interrelated Data Interference Acts** shall be deemed to have been incurred when the earliest of such **Data Interference Acts** was discovered, regardless of whether such date is before or during the **Policy Period**.
- 3. All **Patient Notification and Credit Monitoring Costs** attributable to the same **Privacy Wrongful Act** or **Interrelated Privacy Wrongful Acts** shall be deemed to have been incurred when the earliest of such **Privacy**

Wrongful Acts was discovered, regardless of whether such date is before or during the **Policy Period**.

C. Other Insurance

This **Policy** shall be excess insurance over any other valid and collectible insurance available to you, including any self insured retention or deductible portion thereof, whether such insurance is stated to be primary, pro rata, contributory, excess, contingent or otherwise, unless such insurance specifically applies as excess insurance over this **Policy**.

D. Changes in Exposure

1. If, during the **Policy Period**, the **Named Insured** is acquired, or control assumed by another entity, coverage under this **Policy** will continue but only with respect to any **Claim** arising from **Network Security Wrongful Acts, Privacy Wrongful Acts** or **Data Interference Acts** that occur prior to the effective date of the acquisition or change of control. The **Named Insured** must give us notice as soon as practicable, but in any event within thirty (30) days of such change. The **Policy** may not be cancelled after the effective date of the acquisition or change of control, and the premium will be deemed fully earned on such date.
2. If, after the inception of the **Policy Period**, the **Named Insured** acquires or creates a **Subsidiary**, and at the time of the transaction, the revenues of such **Subsidiary** do not exceed ten percent (10%) of the total annual revenues of the **Named Insured**, as reflected in the most recent **Application**, then for a period of sixty (60) days after the effective date of the transaction, the **Subsidiary** shall be included within the definition of **Insured**, but only with respect to **Network Security Wrongful Acts, Privacy Wrongful Acts** or **Data Interference Acts** committed or allegedly committed after the creation or acquisition of such **Subsidiary**. Written notice of such event shall be given to us within sixty (60) days of the effective date of the transaction, together with such information as we may require. In the event that the revenues of the new **Subsidiary** exceed ten percent (10%) of the annual revenues of the **Named Insured** prior to the creation or acquisition, as reflected in the most recent **Application** for this insurance, there may be an additional premium charged, which must be paid in order for coverage for the new **Subsidiary** to continue beyond the initial sixty (60) day period.
3. If, after the inception of the **Policy Period**, the **Named Insured** sells a **Subsidiary**, that **Subsidiary** shall be an **Insured**, but only with respect to **Network Security Wrongful Acts, Privacy Wrongful Acts** or **Data Interference Acts** committed or allegedly committed before such date. Written notice of such sale shall be given to us within sixty (60) days of the sale. There will be no return premium.

E. Representations and Severability

1. In issuing this **Policy**, we relied upon the statements and representations in the **Application**. The **Insured** represents that all such statements and

representations are true and deemed material to the acceptance of the risk or the hazard assumed by us under this **Policy**.

2. The **Insured** agrees that in the event any such statements or representations are untrue, this **Policy** will not afford any coverage with respect to an **Insured** who knew the facts that were not truthfully disclosed in the **Application**, whether or not such **Insured** knew that the **Application** contained an untruthful disclosure.

F. Allocation

If both **Loss** covered under this **Policy** and loss not covered under this **Policy** are jointly incurred either because a **Claim** includes both covered and non-covered matters or because a **Claim** is made against both covered and uncovered parties, then you and we shall fairly and reasonably allocate such amount between covered **Loss** and non-covered loss based on the relative legal exposures of the parties with respect to covered and non-covered matters.

G. Authorization Clause

By acceptance of this **Policy**, you agree to act on behalf of the **Insureds** with respect to the giving and receiving of notice of **Claim** or cancellation, the payment of premiums, and the receiving of any return premiums that may become due under this **Policy**, the agreement to and acceptance of endorsements and the giving or receiving of any notice provided for in this **Policy** (except the giving of notice to apply for the Extended Reporting Period), and the **Insureds** agree that you will act on their behalf.

H. Assistance, Cooperation and Subrogation

1. The **Insureds** agree to provide us with such information, assistance and cooperation as we may reasonably request to conduct an investigation, defend a **Claim**, or reach a settlement of a **Claim**. The **Insureds** agree that in the event of a **Claim**, they will do nothing which in any way increases our exposure under the **Policy**, or which may prejudice our position or rights of recovery.
2. In the event of a **Claim** under this **Policy**, we shall be subrogated to the rights of recovery of each and every **Insured** against any person or organization, and the **Insureds** will execute and deliver instruments and papers, and do whatever else is necessary, to secure such rights, including the execution of all documents to enable us to effectively bring suit in the name of any **Insured**. The **Insureds** shall do nothing to prejudice such rights.

I. Alteration and Assignment

This **Policy** cannot be changed, modified, or assigned without our written, signed endorsement.

J. Territory

This **Policy** applies to **Claims** brought against an **Insured** anywhere in the world, except countries where the United States of America has declared or imposed sanctions or trade embargoes.

K. Action Against Underwriters

No action shall lie against us unless, as a condition precedent thereto, there shall have been full compliance with all of the terms of this **Policy**. No person or organization shall have any right under this **Policy** to join us as a party to any action against the **Insured** to determine the **Insured's** liability, nor shall we be impleaded by the **Insured** or their legal representatives.

L. Arbitration

Notwithstanding any other provision of this **Policy**, Underwriters and the **Insured** agree that any dispute or controversy arising out of, or relating to, this **Policy** will be submitted to final and binding arbitration in accordance with the rules of the American Arbitration Association then in effect. The arbitrator shall be selected by you, and us, and each party will bear its own legal fees and expenses.

M. Estates and Legal Representatives

Neither death, bankruptcy, dissolution of partnership nor insolvency of an **Insured** will relieve us of any obligations under the **Policy**.

N. Extended Reporting Period

If this **Policy** is cancelled or non-renewed by the **Named Insured**, or if we refuse to renew this **Policy** for reasons other than non-payment of premium or non-compliance with the terms and conditions of this **Policy**, then you shall have the right, upon payment of an additional premium, to an extension of the coverage available under this **Policy**, with respect to **Claims** first made during the period of time elected after the effective date of such cancellation, or, in the event of such refusal to renew, after the **Policy's** expiration date, but only for **Network Security Wrongful Acts, Privacy Wrongful Acts** or **Data Interference Acts** committed or allegedly committed prior to the effective date of such cancellation or non-renewal.

Options:

12 months for 100% of the premium for the **Policy Period**.

24 months for 150% of the premium for the **Policy Period**.

Changes in **Policy** terms and conditions, or the quotation of a different premium, retention or limits of liability for renewal does not constitute cancellation or refusal to renew for purposes of this Clause.

A written request for the Extended Reporting Period, together with full payment of the premium for the Extended Reporting Period, must be received by us within thirty (30) days from the effective date of the cancellation, or, in the event of a refusal to renew, within thirty (30) days after the **Policy** expiration date. The

entire premium for the Extended Reporting Period shall be deemed fully earned and non-refundable upon payment.

O. Cancellation

You may cancel this **Policy** by mailing written notice to us stating when thereafter such cancellation shall be effective. We may cancel this **Policy** only for non-payment of premium, by mailing written notice to you at the address shown in the Declarations, stating when, not less than ten (10) days thereafter, such cancellation shall be effective. The mailing of such notice shall be sufficient proof of notice. Delivery of such written notice shall be equivalent to mailing. The effective date and hour of cancellation as stated in the notice shall become the end of the **Policy Period**.

If you cancel, earned premium shall be computed in accordance with the standard short rate table, but in no event will earned premium be less than twenty-five percent (25%) of the total premium indicated in the Declarations. Notwithstanding the foregoing, in the event that any **Claim** or potential **Claim** is reported under this **Policy**, no return premium will be provided. If we cancel, earned premium shall be computed pro-rata. Premium adjustment may be made at the time cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

NAS Insurance Services, Inc.

By: S P E C I M E N
On behalf of the Underwriters
providing this insurance.