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CyberEdge **Cyber Liability Insurance**

POLICYHOLDER:

POLICY NUMBER:



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Schedule

Policy Number:

1. Policyholder

[Redacted]

2. Policyholder's Main Address

3. Policy Period

From: (dd/mm/yyyy) To: (dd/mm/yyyy)

12:01 a.m. at the **Policyholder's** main address

4. Limit of Liability and Sublimits

Aggregate **Limit of Liability** per **Policy Period** for all **Loss** of all **Insureds** under all insurance covers combined (A, B, C, and any **Optional Extension** which is purchased): **USD x,000,000**

The following aggregate sublimits are per claim. They are part of and not in addition to the aggregate **Limit of Liability**:

Data Administrative Investigations: USD X00,000

Data Administrative Fines: USD X00,000

Pro-active Forensic Services: USD X00,000

Repair of the Company's Reputation: USD X00,000

Repair of the Individual's Reputation: USD X00,000

Restoring, recreating, or recollecting Electronic Data: USD X00,000

No **Retention** shall apply to any of the sublimits mentioned above, except for **Data Administration Fines** as specified in item 6 of the Schedule below.

5. Optional extensions and Sublimits

MultiMedia Liability: [Not Purchased]/ USD []

Cyber/Privacy Extortion: [Not Purchased]/ USD []

Network Interruption: [Not Purchased] / USD []

6. Retention

General Policy **Retention:** USD X00,000

10% of any **Data Administrative Fines** with a minimum retention of USD X0,000

Notification to Data Subjects & Monitoring: USD X,000,000

Network Interruption: GBP x,000,000

Waiting Hours Period: [Not Purchased]

7. Annual premium:

USD

8. Retroactive Date:

- It is hereby understood and agreed that any interpretation of this policy relating to its construction, validity or operation shall be made in accordance with the laws of Israel and in accordance with the English text as it appears in this policy.



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Coverage

In consideration of the payment of the annual premium and subject to all of the provisions of this policy the **Insurer** and the **Policyholder** agree as follows:

Cover under this policy is written specifically on a primary basis and applies only to acts, errors or omissions of an **Insured** committed after the **Retroactive Date**.

All **Claims, Qualifying Breaches of Data Security, breaches of Data Protection Legislation, Newsworthy Events, Extortion Threats or Material Interruptions** must occur or be notified within the **Policy Period** and be notified to the **Insurer** in accordance with the conditions of this policy.

A. DATA LIABILITY	
A.1 Loss of Personal Information	The Insurer will pay to or on behalf of any Insured all Damages and Defence Costs which arise out of a Claim by a Data Subject against the Insured in respect of an actual or alleged Qualifying Breach of Personal Information .
A.2 Loss of Corporate Information	The Insurer will pay to or on behalf of any Insured all Damages and Defence Costs which arise out of a Claim by a Third Party against the Insured in respect of an actual or alleged Qualifying Breach of Corporate Information .
A.3 Outsourcing	The Insurer will pay to or on behalf of any Company all Damages and Defence Costs which arise out of a Claim by a Third Party against an Outsourcer (where the Company has a contractual duty to indemnify) and which arises from any actual or alleged breach of duty by the Outsourcer in regards to the processing of Personal Information and/or Corporate Information on behalf of the Company (for which the Company is liable).
A.4 Network Security	The Insurer will pay to or on behalf of any Insured all Damages and Defence Costs which arise out of a Claim by a Third Party against the Insured which is caused by any act, error or omission by the Insured resulting in: <ul style="list-style-type: none">(i) the introduction of any unauthorized software, computer code or virus to Third Party Data on the Company's Computer System which is specifically designed to disrupt the operation of or corrupt or damage any software or data recorded on the Company's Computer System;(ii) the denial of access to an authorised Third Party to its Data;(iii) the wrongful appropriation of a network access code from the Company;(iv) the destruction, modification, corruption, damage or deletion of Third Party Data stored on any Computer System;(v) the physical theft of the Company's Assets by a Third Party, or its physical loss; or(vi) the disclosure of Third Party Data by an employee of the Company.



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B. ADMINISTRATIVE OBLIGATIONS	
B.1 Data Administrative Investigation	The Insurer will pay to or on behalf of any Insured all Professional Fees (not to exceed the Sublimit stated in item 5 of the Schedule) for legal advice and representation in connection with any Regulatory Investigation .
B.2 Data Administrative Fines	The Insurer will pay to or on behalf of any Insured all Data Administrative Fines (not to exceed the Sublimit stated in item 5 of the Schedule) that the Insured is legally obligated to pay upon the conclusion of a Regulatory Investigation arising out of a breach of Data Protection Legislation .
C. REPUTATION AND RESPONSE COSTS	
C.1 Pro-active Forensic Services	<p>The Insurer will pay to or on behalf of any Company all Professional Fees (not to exceed the Sublimit in item 5 of the Schedule) of forensic cyber risk specialists for the purpose of substantiating whether a Qualifying Breach of Data Security has occurred/is occurring and identifying the cause of the breach and for making recommendations as to how this may be prevented or mitigated.</p> <p>Such Professional Fees can only be incurred from the date of notification to the Insurer in accordance with clause 5.1.</p>
C.2 Repair of the Company's Reputation	<p>The Insurer will pay to or on behalf of any Company all Professional Fees (not to exceed the Sublimit stated in item 5 of the Schedule) of independent advisors (including, but not limited to, legal advice concerning media strategy, crisis consulting and independent public relations services) for the management of any action reasonably required to prevent or mitigate the potential adverse effect of a Newsworthy Event including the design and management of a communications strategy.</p> <p>Such Professional Fees can only be incurred from the date of notification to the Insurer in accordance with clause 5.1 to the date falling 185 days after such notification.</p>
C.3 Repair of the Individual Reputation	<p>The Insurer will pay to or on behalf of any director, chief compliance officer, Data Protection Officer or General Counsel of a Company all Professional Fees (not to exceed the Sublimit stated in item 5 of the Schedule) for advice and support from an independent public relations consultant, in order to mitigate or prevent damage to their individual (personal and professional) reputation due to an actual or alleged Qualifying Breach of Data Security or breach of Data Protection Legislation.</p> <p>Such Professional Fees can only be incurred from the date of notification to the Insurer in accordance with clause 5.1 to the date falling 185 days after such notification.</p>



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C.4 Notification to Data Subjects	The Insurer will pay to or behalf of the Insured all Professional Fees (not to exceed the Sublimit stated in item 5 of the Schedule) in relation to the investigation, collation of information, preparation for and notification to Data Subjects and/or any relevant Regulator of any alleged or actual Qualifying Breach of Data Security or breach of Data Protection Legislation .
C.5 Monitoring	The Insurer will pay to or on behalf of the Company all Professional Fees (not to exceed the Sublimit stated in item 5 of the Schedule) for credit monitoring services for possible misuse of any Personal Information as a result of an actual or alleged Qualifying Breach of Data Security or breach of Data Protection Legislation .
C.6 Electronic Data	The Insurer will pay to or on behalf of the Company all Professional Fees (not to exceed the Sublimit stated in item 5 of the Schedule) to: (i) determine whether Data held by the Company on behalf of a Third Party can or cannot be restored, recollected, or recreated; and (ii) recreate or recollect Data held by the Company on behalf of a Third Party where backup systems fail to capture such Third Party Data or it is corrupted or lost because of a technical failure or because of the negligence or default of an operator or other person lawfully charged with that responsibility.



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Optional Extensions

Optional Extensions shall be valid only if specifically stated as covered under the policy's schedule and are subject to the terms, conditions, definitions and exclusions of this policy and the additional terms, conditions, definitions and exclusions in this section.

D. MultiMedia Liability	
D.1 MultiMedia Liability	<p>The Insurer will pay to or on behalf of any Company all Damages and Defence Costs (not to exceed the Sublimit stated in item 6 of the Schedule) which arise out of a Claim by a Third Party against the Company solely in the performance of or failure to perform MultiMedia Activities arising from the following alleged or actual wrongful acts:</p> <ul style="list-style-type: none"> (i) defamation, including but not limited to libel, slander, or disparagement of trade reputation or the character of any person or organization, or infliction of emotional distress or mental anguish arising from the foregoing; (ii) unintentional infringement of copyright, title, slogan, trademark, trade name, trade dress, mark, service mark, service name or domain name, whether by deep-linking or framing or otherwise; (iii) plagiarism, piracy or misappropriation or theft of ideas or information; (iv) invasion, infringement or interference with rights of privacy or publicity, false light, public disclosure of private facts, intrusion and commercial appropriation of name, persona or likeness; (v) unfair competition, but only if alleged in conjunction with any of the acts listed in (i) – (iv) above; or (vi) liability arising out of the Insured's negligence in respect of any digital media content.
D.2 Definitions	
Multimedia Activities	means the publication or broadcast of any digital media content.
D.3 Exclusions	
Product Descriptions	This Extension shall not cover "Loss" arising out of, based upon or attributable to the actual or alleged inaccurate, inadequate, or incomplete description of the price of goods, products, or services and any cost guarantees, cost representations, or contract price estimates, the authenticity of any goods, products or services, or the failure of any goods or services to conform with any represented quality or performance standards.
Financial Data	This Extension shall not cover "Loss" arising out of, based upon or attributable to errors made in any financial data that the "Company" publicises including, but not limited to, the "Company's" annual report and accounts and any communications to the stock market.



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E. Cyber/Privacy Extortion	
E.1 Cyber/Privacy Extortion Liability	The Insurer will pay to or on behalf of the Insured all Extortion Loss (not to exceed the Sublimit stated in item 6 of the Schedule) that an Insured incurs solely as a result of an Extortion Threat .
E.2 Definitions	
Extortion Loss	means any: (i) monies paid by an Insured with the Insurer's prior written consent to prevent or end an Extortion Threat ; or (ii) Professional Fees for independent advisors to conduct an investigation to determine the cause of an Extortion Threat .
Extortion Threat	means any threat or connected series of threats, for the purpose of demanding monies, communicated to the Insured to prevent or end a Security Threat .
Security Threat	means any threat to the Computer System that may result in an actual or alleged Qualifying Breach of Data Security causing financial harm to the Company .
E.3 Exclusions	
Government Entity or Public Authority	This Extension shall not cover any "Extortion Loss" arising out of, based upon or attributable to any "Extortion Threat" made by any government entity or public authority.
Conditions	
	<p>The Insured shall use its best efforts at all times to ensure that knowledge regarding the existence of the insurance for Extortion Loss afforded by this policy is kept confidential. If the existence of insurance for Extortion Loss provided by this policy enters into the public domain or is revealed to a person presenting a Security Threat through no fault of the Insurer, the Insurer may terminate the insurance provided by this policy for Extortion Loss by written notice to the Policyholder, and the cancellations shall become effective within 15 days of receipt of the notice by the Policyholder.</p> <p>The Insured shall allow the Insurer (or the Insurer's nominated representatives) to notify the police or other responsible law enforcement authorities of any Extortion Threat.</p>
F. Network Interruption	
F.1 Network Interruption Insurance	The Insurer will pay to the Company any Network Loss (not to exceed the Sublimit stated in item 5 of the Schedule) in respect of a Material Interruption that an Insured incurs after the Waiting Hours Period has expired and solely as a result of a Security Failure .



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F.2 Definitions	
Material Interruption	means any material interruption in, or suspension of, the service provided by the Computer System directly caused by a Security Failure .
Network Loss	<p>means the reduction in net profit earned by the Company in the period from the expiration of the Waiting Hours Period until service is restored (but in any event no later than 120 days after the commencement of the Material Interruption) that, but for the Material Interruption, the Company would have earned (and which is attributable to a loss of revenue) before payment of income taxes and after accounting for savings and reasonable mitigation.</p> <p>Network Loss in this context excludes losses arising from Claims made by Third Parties for whatever reason but not a reduction in revenue by virtue of a contractual reduction in payments for the service or service credits paid by the Insured.</p>
Security Failure	means a failure or intrusion of the Computer System , including, without limitation, that which results in or fails to mitigate any unauthorised access, unauthorised use, denial of service attack or receipt or transmission of a malicious code. Security Failure includes any such failure or intrusion resulting from the theft of a password or network access code from a Company's premises, a Computer System , or an officer, director or employee of a Company by non-electronic means in direct violation of a Company's specific written security policies or procedures.
Waiting Hours Period	means the number of hours set forth in item 6 of the Schedule that must elapse once a Material Interruption has begun before a Network Loss can begin to be incurred.
F.3 Exclusions	
Government Entity or Public Authority	This Extension shall not cover any "Network Loss" arising out of, based upon or attributable to any seizure, confiscation, nationalisation, or destruction of a "Computer System" by order of any government entity or public authority.
Specific Network Interruption Conditions	<p>This Extension shall not cover any "Network Loss" arising out of, based upon or attributable to any:</p> <ul style="list-style-type: none"> (i) network or systems interruption caused by loss of communications with a "Third Party" computer system, resulting in the inability of the "Company" to communicate with those systems; (ii) legal costs or legal expenses of any type; (iii) updating, upgrading, enhancing or replacing any "Computer System" to a level beyond that which existed prior to sustaining "Network Loss"; (iv) unfavorable business conditions; or (v) the removal of software program errors or vulnerabilities.



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<p>F.4 Notice</p>	<p>In addition to the requirements to give notice under this policy, and before coverage will apply, each Insured must also:</p> <ul style="list-style-type: none"> (i) complete and sign a written, detailed and affirmed proof of loss within ninety (90) days after the discovery of any Network Loss (unless this period is otherwise extended in writing by the Insurer) which will detail a full description of the Network Loss and the circumstances of such Network Loss. The written proof should also include a detailed calculation of any Network Loss and all underlying documents and materials that reasonably relate to or form a part of the basis of the proof of the Network Loss; (ii) upon the Insurer's request, submit to an examination; and (iii) waive professional privilege and shall provide the Insurer on an ongoing basis with any cooperation and assistance that the Insurer may request, including assisting the Insurer in: <ul style="list-style-type: none"> a. any investigation of a Security Failure or Network Loss; b. enforcing any legal rights the Company or the Insurer may have against anyone who may be liable to an Insured for a Security Failure; c. executing any documents that the Insurer deems necessary to secure its rights under this policy; and d. any calculation or appraisal conducted by or on behalf of the Insurer pursuant to this Network Interruption Extension. <p>The costs and expenses of establishing or proving an Insured's loss under this Network Interruption Extension, including, without limitation, those associated with preparing the proof of loss, shall be the obligation of the Insured and not covered under this policy.</p>
<p>F.5 Net Profit Calculations</p>	<p>In determining the Network Loss for the purpose of ascertaining the amount payable under this Network Interruption Extension, due consideration shall be given to the prior experience of the Company's business before the beginning of the Security Failure and to the probable business an Insured could have performed had no Security Failure occurred. Network Loss calculations shall not include, and this policy shall not cover, net income that would likely have been earned as a result of an increase in volume of business due to favourable business conditions caused by the impact of security failures on other businesses. Calculations shall be on an hourly basis and based on such an Insured's actual net profit loss caused by a reduction in revenue or increase in charges and expenses directly attributable to the Material Interruption.</p>
<p>F.6 Appraisal</p>	<p>If the Company and the Insurer disagree on the extent of Network Loss, either may make a written demand for an appraisal of such Network Loss. If such demand is made, each party will select a competent and impartial appraiser. The appraisers will then jointly select an expert who has not less than ten (10) years' standing and who is a partner in a major international accounting firm, experienced in assessing loss. Each appraiser will separately state the extent of Network Loss. If they fail to agree, they will submit their differences to the expert. Any decision by the expert will be final and binding.</p> <p>The Company and the Insurer will (i) pay their own respective chosen appraiser and (ii) bear the expenses of the expert equally. Any appraisal of Network Loss shall be calculated in accordance with all terms, conditions and exclusions of this policy.</p>



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3. Definitions

<p>3.1 Asset</p>	<p>means any item or element of hardware, software or equipment that is or may be used for the purpose of creating, accessing, processing, protecting, monitoring, storing, retrieving, displaying or transmitting electronic data of any type (including voice).</p>
<p>3.2 Breach Notice Law</p>	<p>means any Data Protection Legislation that creates a legal obligation to give notice in respect of an actual or potential breach.</p>
<p>3.3 Claim</p>	<p>means the receipt by or service upon the Insured of:</p> <ul style="list-style-type: none"> (i) an Enforcement Notice; (ii) a written demand seeking a legal remedy; (iii) a demand or notification of civil, regulatory, administrative or criminal proceedings seeking legal remedy, compliance or other sanction; or (iv) a written demand by a Regulator in connection with a Regulatory Investigation (in respect of Insurance cover B (Administrative Obligations) only). <p>Claim shall not include any (i) Data Subject Access Request; or (ii) allegation brought by or on behalf of any director, partner, principal, chief compliance officer, Data Protection Officer or General Counsel of the Company.</p>
<p>3.4 Company</p>	<p>means the Policyholder and any Subsidiary.</p>
<p>3.5 Computer System</p>	<p>means information technology and communications systems, networks, services and solutions (including all Assets) that either (a) form part of such systems and networks, or (b) are used in the provision of such services and solutions which are leased or made available to or accessible by the Company or which are provided to the Company's exclusive and secure usage for the purpose of its business.</p>
<p>3.6 Corporate Information</p>	<p>means:</p> <ul style="list-style-type: none"> (i) any confidential information, which is the exclusive intellectual property of a Third Party including but not limited to budgets, customer lists, marketing plans and other information the release of which would be advantageous to a competitor and which is otherwise not available to such competitors; (ii) any information which is confidential or which is subject to legal professional privilege to which a Third Party is entitled, including but not limited to any confidential information supplied to a solicitor, accountant or other professional advisor in the course of his or her professional duties, which is otherwise not in the public domain; or (iii) any information which is lawfully disclosed to the Company and which is lawfully received by the Company in circumstances which impose a legal obligation to keep the information confidential or which is provided to the Company pursuant to a written confidentiality agreement, and which has been lawfully collected and maintained by or on behalf of the Company.



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<p>3.7 Cyberterrorism</p>	<p>means:</p> <p>the premeditated use of disruptive activities against any computer system or network, or the explicit threat to use such activities, with the intention to cause harm, further social, ideological, religious, political or similar objectives, or to intimidate any person(s) in furtherance of such objectives.</p>
<p>3.8 Damages</p>	<p>means:</p> <p>(a) any amount that an Insured shall be legally liable to pay to a Third Party in respect of judgments or arbitral awards rendered against an Insured;</p> <p>(b) monies payable by an Insured to a Third Party pursuant to a Settlement Agreement negotiated by the Company and which is approved by the Insurer, pursuant to an act, error or omission on the part of an Insured.</p> <p>Damages shall not mean and this policy shall not cover any: (i) non-compensatory damages, including punitive, multiple, exemplary or liquidated damages; (ii) fines or penalties; (iii) the costs and expenses of complying with any order for, grant of or agreement to provide injunctive or other non-monetary relief; (iv) costs or other amounts that the Insured are responsible for under a merchant services agreement; or (v) discounts, service credits, rebates, price reductions, coupons, prizes, awards or other contractual or non-contractual incentives, promotions or inducements offered to the Insured's customers or clients.</p>
<p>3.9 Data Administrative Fines</p>	<p>means any lawfully insurable fines and penalties which are adjudicated by a Regulator to be payable by an Insured for a breach of Data Protection Legislation.</p> <p>Data Administrative Fines shall not include any other type of civil or criminal fines and penalties.</p>
<p>3.10 Data Protection Legislation</p>	<p>means the Privacy Protection Law - 1981 (Israel) and any subsequent legislation that alters, repeals or replaces such Law and any and all other equivalent laws and regulations relating to the regulation and enforcement of data protection and privacy in any country.</p>
<p>3.11 Data Protection Officer</p>	<p>means an employee who is designated by the Company as the person responsible to implement, monitor, supervise, report upon and disclose the Company's regulatory compliance standards with respect to data collection, data processing and delegation of data processing.</p>
<p>3.12 Data Subject</p>	<p>means any natural person whose Personal Information has been collected or processed by or on behalf of the Company.</p>
<p>3.13 Data Subject Access Request</p>	<p>means a written request from a Data Subject to the Company regarding the mandatory production of:</p> <p>(i) Personal Information held which identifies such individual person;</p> <p>(ii) the reason such Personal Information has been collected or processed;</p>



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	<p>(iii) the recipients or classes of recipients to whom such Personal Information has been or may be disclosed; and</p> <p>(iv) the source of such Personal Information.</p>
3.14 Defence Costs	<p>means reasonable and necessary legal fees, costs and expenses which the Insured incurs, with the prior written consent of the Insurer, in relation to the investigation, response, defence, appeal and/or settlement of a Claim made against the Insured.</p> <p>Defence Costs shall not mean any internal costs of the Insured (e.g., wages, salaries or other remuneration).</p>
3.15 Enforcement Notice	<p>means a notice from a Regulator requiring the Company to:</p> <p>(i) confirm compliance with the applicable Data Protection Legislation;</p> <p>(ii) take specific measures to comply with the applicable Data Protection Legislation; or</p> <p>(iii) refrain from processing any specified Personal Information or Third Party Data;</p> <p>within a specified time period.</p>
3.16 Information Commissioner	<p>means the Israeli Law, Information & Technology Authority (ILITA) or authority that replaces such a role under laws and regulations relating to the regulation and enforcement of data protection and privacy and any equivalent position in any other jurisdiction.</p>
3.17 Insured	<p>means:</p> <p>(i) the Company;</p> <p>(ii) any natural person who is or has been a director, principal, partner or officer (including but not limited to any chief compliance officer, Data Protection Officer or General Counsel) of the Company to the extent such person is acting in such capacity;</p> <p>(iii) any employee of the Company; and</p> <p>any estates or legal representatives of any Insured described in (i), (ii) and (iii) of this Definition to the extent that a claim is brought against them in respect of an act, error or omission of such Insured.</p>
3.18 Insurer	AIG Israel Insurance Company Ltd.
3.19 Limit of Liability	means the amount specified in item 5 of the Schedule.
3.20 Loss	<p>means:</p> <p>(i) Damages, Defence Costs, Professional Fees, Data Administrative Fines; and</p> <p>(i) Extortion Loss (if purchased) and Network Loss (if purchased).</p> <p>Loss shall not mean any compensation, internal or overhead expenses of any Insured or the cost of any Insured's time.</p>



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<p>3.21 Newsworthy Event</p>	<p>means the actual or threatened public communication or reporting in any media which arises directly out of an actual or potential or alleged breach of Data Protection Legislation or a Qualifying Breach of Data Security which is likely to bring the Company into disrepute or tarnish its reputation and damage its goodwill amongst the community of people or businesses who are its customers or suppliers or with whom the Company habitually deals with in the course of its business.</p>
<p>3.22 Outsourcer</p>	<p>means a natural person or entity which collects or processes Personal Information or Corporate Information on behalf of the Company, whether based on an express contractual agreement or under a legal requirement.</p>
<p>3.23 Personal Information</p>	<p>means any private information concerning a Data Subject which has been lawfully collected and maintained by or on behalf of the Company.</p>
<p>3.24 Professional Fees</p>	<p>means the reasonable and necessary fees, costs and expenses of experts engaged by the Insured in accordance with the terms of this policy and with the prior written consent of the Insurer.</p>
<p>3.25 Policyholder</p>	<p>means the entity specified as such in item 1 of the Schedule.</p>
<p>3.26 Qualifying Breach of Corporate Information</p>	<p>means the accidental or negligent disclosure of Corporate Information by an Insured for which the Company is responsible.</p>
<p>3.27 Qualifying Breach of Data Security</p>	<p>means the unauthorised access by a Third Party to the Company's Computer System or use or access of the Company's Computer System outside of the scope of the authority granted by the Company.</p>
<p>3.28 Qualifying Breach of Personal Information</p>	<p>means unauthorised disclosure or transmission by an Insured of Personal Information for which the Company is responsible as either a Data Processor or a Data Controller as defined under any applicable Data Protection Legislation.</p>
<p>3.29 Regulator</p>	<p>means an Information Commissioner or statutory body established pursuant to Data Protection Legislation in any jurisdiction and which is authorised to enforce statutory obligations in relation to the processing or control of Personal Information (or where relevant, Corporate Information).</p>
<p>3.30 Regulatory Investigation</p>	<p>means any formal or official action, investigation, inquiry or audit by a Regulator against an Insured arising out of the use or alleged misuse of Personal Information or any aspects of the control or processing of Personal Information or delegation of data processing to an Outsourcer which is regulated by Data Protection Legislation, but shall not include any industry-wide, non-firm specific, inquiry or action.</p>
<p>3.31 Retention</p>	<p>means the amounts specified as such in item 7 of the Schedule.</p>
<p>3.32 Retroactive Date</p>	<p>means the date specified as such in item 10 of the Schedule.</p>
<p>3.33 Settlement Agreement</p>	<p>means any agreement made by the Company (with the prior written consent of the Insurer) with a Third Party, in order to set aside permanently any potential or actual litigious matter or disagreement between the Insured and a Third Party.</p>



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3.34 Subsidiary	means any entity in which the Policyholder , either directly or indirectly through one or more of its other entities: (i) controls the composition of the board of directors; (ii) controls half or more of the voting power; or (iii) holds half or more of the issued share or equity capital. For any Subsidiary or any Insured thereof, cover under this policy shall only apply to a breach of Data Protection Legislation or an act, error, or omission resulting in a Qualifying Breach of Data Security committed while such entity is a Subsidiary of the Policyholder .
3.35 Third Party	means any natural person or entity who deals at arm's length with the Insured and which neither controls or is controlled by the Insured and which is not: (i) an Insured ; or (ii) any other natural person or entity having a significant financial investment or executive role in the operation or management of the Company ; (iii) any person or entity who can by virtue of any legal, equitable or commercial right or interest control or influence the board of directors or the management of the Company or which can be influenced or controlled by the Company in a similar manner.
3.36 Third Party Data	means: (i) Corporate Information ; (ii) any private information concerning a natural person, which has been lawfully collected and maintained by or on behalf of a Third Party ; (iii) any other information of a commercial, business or operational nature belonging to a Third Party , and which is held by the Company under a contractual obligation between the Company and a Third Party in the course of provision of services.



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4. Exclusions

The Insurer shall not be liable for "Loss" arising out of, based upon or attributable to:

<p>4.1 Antitrust</p>	<p>any actual or alleged antitrust violation, restraint of trade or unfair competition. This exclusion shall not apply to clause (v) of D1 MultiMedia Liability if purchased;</p>
<p>4.2 Bodily Injury and Property Damage</p>	<p>any:</p> <ul style="list-style-type: none"> (i) physical injury, sickness, disease or death; and if arising out of the foregoing, nervous shock, emotional distress, mental anguish or mental injury, other than mental anguish or mental injury arising from any breach of "Data Protection Legislation" by the "Company"; or (ii) loss or destruction of tangible property, other than "Third Party Data", or loss of use thereof, or the physical theft or loss of the "Company's Assets";
<p>4.3 Contractual Liability</p>	<p>any guarantee, warranty, contractual term or liability assumed or accepted by an "Insured" under any contract or agreement (including but not limited to any service credits, rebates, price reductions, coupons, prizes, awards or other contractual or non-contractual incentives, promotions or inducements offered to the "Insured's" customers or clients) except to the extent such liability would have attached to the "Insured" in the absence of such contract or agreement;</p>
<p>4.4 Criminal Acts</p>	<p>any act, error or omission which a court, tribunal, arbitrator or "Regulator" finds, or which an "Insured" admits, to be a criminal, dishonest or fraudulent act.</p> <p>The "Insurer" will continue to pay on behalf of an "Insured Defence" "Costs" under this policy until a dishonest, criminal or fraudulent act, error or omission is found by a court, tribunal, arbitrator or "Regulator" to have been committed by an "Insured". Following such finding the "Insurer" shall be entitled to repayment of any amount paid to the "Insured" under this policy;</p>
<p>4.5 Conduct</p>	<p>any wilful disregard or non-compliance with a ruling, direction or injunction by a court, tribunal, arbitrator or a "Regulator" within the jurisdiction and/or deliberate commission, aiding, abetting or condoning of or conniving in:</p> <ul style="list-style-type: none"> (i) a dishonest, malicious or fraudulent act; or (ii) a criminal breach of law or regulation, <p>if committed by the "Company's":</p> <ul style="list-style-type: none"> (a) directors, principals, partners, chief compliance officer, "Data Protection Officer" or General Counsel whether acting on their own or in collusion with others; or (b) employees or "Outsourcers" acting in collusion with any of the "Company's" directors, principals, partners, chief compliance officer, "Data Protection Officer" or General Counsel.



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4.6 Data Risk	any data which is materially different in quality, sensitivity or value from that which is disclosed in any proposal, information or representation made or provided to the "Insurer" prior to the inception date;
4.7 Intellectual Property	any infringement of patents and trade secrets or to loss of rights to secure registration of patents due to an unauthorised disclosure. This Exclusion 4.6 shall not apply to Insurance cover A.2 (Loss of Corporate Information);
4.8 Intentional Acts	any intentional, deliberate or reckless act by any natural person who is or has been a director, principal, partner or officer (including but not limited to any chief compliance officer, "Data Protection Officer" or General Counsel) of the "Company" that would reasonably be expected to give rise to a "Claim" against an "Insured";
4.9 Licensing Fees	any actual or alleged obligation to make licensing fee or royalty payments, including but not limited to the amount or timeliness of such payments;
4.10 Prior Claims and Circumstances	any circumstance that, as of the inception date of this policy, may reasonably have been expected by any "Insured" to give rise to a "Claim", or any "Claim" made or circumstance notified prior to or pending at the inception date of this policy;
4.11 Securities Claims	any actual or alleged violation of any law, regulation or rule (whether statutory or common law) relating to the ownership, purchase, sale or offer of, or solicitation of an offer to purchase or sell, securities;
4.12 Terrorism / War	any form of strikes or similar labor action, war, invasion, act of foreign enemy, hostilities or warlike operations (whether declared or not), civil war, mutiny, civil commotion assuming the proportions of or amounting to a popular rising, military rising, insurrection, rebellion, revolution, military or usurped power, or any action taken to hinder or defend against these actions; provided, however, this exclusion shall not apply to actual, alleged or threatened "Cyberterrorism".
4.13 Trading Losses	any trading losses or trading liabilities; monetary value of any electronic fund transfers or transactions by or on behalf of the Insured which is lost, diminished or damaged during transfer from, into or between accounts; or the face value of coupons, price discounts, prizes, awards or any other valuable consideration given in excess of the total contracted or expected amount;
4.14 Unauthorised Trading	any actual or alleged trading by the "Insured" which at the time of the trade: i) is in excess of permitted financial limits, or; ii) is outside permitted product lines;
4.15 Unauthorised or unlawfully collected data	the unlawful or unauthorised collection by the "Company" of "Third Party Data";



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4.16 Unsolicited Materials	any distribution of unsolicited email, direct mail, or facsimiles, wire tapping, audio or video recording, or telemarketing;
4.17 Uninsurable Loss	any matters which may be deemed uninsurable under the law governing this policy or the jurisdiction in which a "Claim" is brought or where any Insuring clause or Extension is triggered.

5. Claims

5.1 Notification of Claims and Circumstances that may lead to a Claim	<p>This policy affords cover solely with respect to:</p> <p>(a) Claims which are first made against the Insured during the Policy Period; and</p> <p>(b) Qualifying Breaches of Data Security, breaches of Data Protection Legislation, Newsworthy Events, Extortion Threats or Material Interruptions which occur during the Policy Period, and in all events which are reported by the Insured in writing to the Insurer as soon as practicable and in any case during the Policy Period.</p>
	<p>If, during the Policy Period, any Insured becomes aware of any fact, circumstance, Qualifying Breach of Data Security, breach of Data Protection Legislation, Newsworthy Event, Extortion Threat or Material Interruption that an informed person operating within the same type of business as the Company would reasonably believe is likely to give rise at a later date to a Claim, the Insured shall promptly inform the Insurer about those circumstances. Such notification must be presented in chronological order and must detail the facts or matters which have or may give rise to a Claim which should include at a minimum the following information:</p> <ul style="list-style-type: none"> - the nature and circumstances of the facts; - alleged, supposed or potential breach; - date, time and place of the alleged, supposed or potential breach; - the identity of the potential claimants and all other potentially involved persons and/or entities; - estimate of possible loss; - the potential media or regulatory consequences. <p>All notifications relating to Claims, circumstances, Qualifying Breaches of Data Security, breaches of Data Protection Legislation, Newsworthy Events, Extortion Threats or Material Interruptions must be in writing and sent by e-mail, fax or post to:</p> <p>AIG Israel Claims Department 25 Hasivim St. POB 535 Petach Tikva Israel 49100 E-Mail: AIGIL.CommercialClaims@aig.com Fax: 03-9272442</p>



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<p>5.3 Related Claims</p>	<p>If notice of a Claim, circumstance, Qualifying Breach of Data Security, breach of Data Protection Legislation, Newsworthy Event, Extortion Threat or Material Interruption is given to the Insurer pursuant to the terms and conditions of this policy, then:</p> <ul style="list-style-type: none"> (i) any subsequent Claim, circumstance, Qualifying Breach of Data Security, breach of Data Protection Legislation, Newsworthy Event, Extortion Threat or Material Interruption alleging, arising out of, based upon or attributable to the facts alleged in that previously notified Claim, circumstance, Qualifying Breach of Data Security, breach of Data Protection Legislation, Newsworthy Event, Extortion Threat or Material Interruption ; and (ii) any subsequent Claim, circumstance, Qualifying Breach of Data Security, breach of Data Protection Legislation, Newsworthy Event, Extortion Threat or Material Interruption alleging any Loss which is the same as or related to any Loss alleged in that previously notified Claim, circumstance, Qualifying Breach of Data Security, Data Protection Legislation, Newsworthy Event, Extortion Threat or Material Interruption, <p>shall be considered made against the Insured and reported to the Insurer at the time notice was first given.</p> <p>Any Claim, circumstance, Qualifying Breach of Data Security, breach of Data Protection Legislation, Newsworthy Event, Extortion Threat or Material Interruption arising out of, based upon or attributable to:</p> <ul style="list-style-type: none"> (i) the same cause; or (ii) a single Loss; or (iii) a series of continuous, repeated or related Losses; <p>shall be considered a single Claim, circumstance, Qualifying Breach of Data Security, breach of Data Protection Legislation, Newsworthy Event, Extortion Threat or Material Interruption for the purposes of this policy.</p>
<p>5.4 Fraudulent Claims</p>	<p>If any Insured shall give any notice or claim cover for any Loss under this policy knowing such notice or claim to be false or fraudulent as regards amounts or otherwise, such Loss shall be excluded from cover under the policy.</p>



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6. Defence and Settlement

6.1 Defence	<p>The Insurer does not assume any duty to defend, and the Insured must defend and contest any Claim made against it unless the Insurer, in its sole and absolute discretion, elects in writing to take over and conduct the defence and settlement of any Claim. If the Insurer does not so elect, it shall be entitled, but not required, to participate fully in such defence and the negotiation of any settlement that involves or appears reasonably likely to involve the Insurer.</p> <p>The Insured must render all reasonable assistance to the Insurer and take all reasonable measures to mitigate or avoid the Loss or to determine the Insurer's liability under the policy.</p>
6.2 Insurer's Consent	<p>No Insured shall admit or assume any liability, enter into any settlement agreement, consent to any judgment, or incur any Defence Costs or Professional Fees without the prior written consent of the Insurer. Only those settlements, judgments and Defence Costs or Professional Fees consented to by the Insurer, and judgments resulting from Claims defended in accordance with this policy, shall be recoverable as Loss under this policy. The Insurer's consent shall not be unreasonably withheld, provided that the Insurer shall be entitled to exercise all of its rights under the policy. Compliance with a Breach Notice Law will not be considered as an admission of liability for the purposes of this clause.</p>
6.3 Insured's Consent	<p>The Insurer may make any settlement of any Claim it deems expedient with respect to any Insured, subject to such Insured's written consent (which shall not be unreasonably withheld or denied). If any Insured unreasonably withholds consent to such settlement, the Insurer's liability for all Loss on account of such Claim shall not exceed the amount for which the Insurer could have settled such Claim, plus Defence Costs incurred as of the date such settlement was proposed in writing by the Insurer, less coinsurance (if any) and the applicable Retention.</p>
6.4 Subrogation and Recovery	<p>If the Insurer makes any payment under this policy, it shall be subrogated to the extent of such payment to all of the Insured's rights of recovery and shall be entitled to pursue and enforce such rights in the Insured's name, even if the Insured is compensated for such Loss.</p> <p>Subrogation against employees (including directors, officers, partners or principals) of the Company shall be limited to cases where such employees have been found guilty of an intentional, fraudulent or criminal act by any court or government entity.</p> <p>The Insured shall provide the Insurer with all reasonable assistance and shall do everything that may be necessary to secure any rights including the execution of documents necessary for the Insurer to bring suit in the Insured's name. Any amount recovered in excess of the Insurer's total payment shall be restored to the Insured less the recovery cost.</p>



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7. Limit of Liability and Retention

7.1 Limit of Liability	<p>The total amount payable by the Insurer under this policy shall not exceed the Limit of Liability. Sub-limits of Liability, Extensions, Professional Fees and Defence Costs are part of that amount and are not payable in addition to the Limit of Liability. The inclusion of more than one Insured under this policy does not operate to increase the total amount payable by the Insurer under this policy.</p> <p>Notwithstanding the above and solely in respect of Claims filed against the Insured within the jurisdiction of the courts of Israel, it is agreed that in the event of a Loss, including Defence Costs, exceeding the total aggregate Limit of Liability, then this Policy shall cover reasonable Defence Costs, even if exceeding the Limit of Liability.</p> <p>With respect to Claims filed against the Insured outside the jurisdiction of the State of Israel, the reasonability of the Defence Costs exceeding the Limit of Liability will be measured based on reasonable Defence Costs in Israel in accordance with the Israeli law.</p>
7.2 Retention	<p>With respect to all Claims or Qualifying Breaches of Data Security, breaches of Data Protection Legislation, Material Interruptions or Extortion Threats, the Insurer will only pay that amount of any Loss which is in excess of the Retention specified in item 7 of the Schedule. The Retention amount is to be borne by the Company and shall remain uninsured. A single Retention shall apply to Loss arising from Claims, Qualifying Breaches of Data Security, breaches of Data Protection Legislation, Material Interruptions or Extortion Threats which are considered related Claims, Qualifying Breaches of Data Security, breaches of Data Protection Legislation, Material Interruptions or Extortion Threats pursuant to 5.3 "Related Claims".</p> <p>In the event that a Claim, Qualifying Breach of Data Security, breach of Data Protection Legislation, Material Interruption or Extortion Threat triggers more than one of the Retention amounts, then, as to that Claim, breach of Data Protection Legislation, Qualifying Breach of Data Security, Material Interruption or Extortion Threat the highest of such Retention amounts shall be deemed the Retention applicable to Loss (to which a Retention is applicable pursuant to the terms of this policy) arising from such Claim, breach of Data Protection Legislation Qualifying Breach of Data Security, Material Interruption or Extortion Threat.</p>



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8. General Provisions

<p>8.1 Cooperation</p>	<p>The Insured will at its own cost:</p> <ul style="list-style-type: none"> (i) render all reasonable assistance to the Insurer and co-operate in the defence of any Claim and the assertion of indemnification and contribution rights; (ii) use due diligence and do and concur in doing all things reasonably practicable to avoid or diminish any Loss under this policy; <p>give such information and assistance to the Insurer as the Insurer may reasonably require to enable it to investigate any Loss or determine the Insurer's liability under this policy.</p>
<p>8.2 Maintenance of Security</p>	<p>The Insured will take all reasonable steps to maintain data and information security procedures to no lesser standard than disclosed in the proposal form.</p> <p>The Insured will ensure that back-up systems and processes are maintained to no lesser standard than disclosed in the proposal form and that the ability to restore such data is regularly tested (at least every six (6) months).</p>
<p>8.3 Sanctions</p>	<p>The Insurer has no liability to make any payment and no other liability or other obligation under any provision or Extension of this policy in respect of:</p> <ul style="list-style-type: none"> (i) any risk located in a jurisdiction the laws or regulations of which prohibit the Insurer from providing, or which make it illegal for the Insurer to provide, insurance under this policy; and (ii) any Insured or any beneficiary under the policy who or which is a citizen or instrumentality of the government of any country against which any laws or regulations governing this policy or the Insurer, its parent company or its ultimate controlling entity have established an embargo or other form of economic sanction which prohibit the Insurer from providing, or which make it illegal for the Insurer to provide, insurance coverage for, transacting business with or otherwise offering economic benefits to the Insured or any other beneficiary under the policy. <p>No benefit or payment will be made under this policy to any Insured or beneficiary who is declared unable to receive an economic benefit under the laws or regulations governing this policy or the Insurer, its parent company or its ultimate controlling entity.</p>
<p>8.4 Policy Purchase</p>	<p>In granting cover to the Insured, the Insurer has relied upon the material statements and particulars in the proposal together with its attachments and other information supplied. These statements, attachments and information are the basis of cover and shall be considered incorporated and constituting part of this policy.</p>



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<p>8.5 Assignment</p>	<p>This policy and any rights under or in respect of it cannot be assigned without the prior written consent of the Insurer.</p>
<p>8.6 Cancellation <i>By Policyholder:</i></p>	<p>This policy may be cancelled by the Policyholder. If no Claim, Qualifying Breach of Data Security, breach of Data Protection Legislation, Material Interruption or Extortion Threat has been made and no circumstance has been notified prior to such cancellation, Insurer shall retain the customary short rate proportion (unexpired portion of Premium less handling charges) of the Premium. Otherwise, the premium shall not be returned and shall be deemed fully earned at the inception date.</p>
<p><i>By Insurer:</i></p>	<p>This policy may be cancelled by the Insurer delivering to the Policyholder by registered, certified, other first class mail or other reasonable delivery method, at the address of the Policyholder set out in the Schedule, written notice stating when, not less than thirty (30) days thereafter the cancellation shall be effective, and this policy shall be deemed cancelled as to all Insureds at that date and hour. In case of cancellation due to non-payment of premium, if the Policyholder does not pay the outstanding premium within 15 days following receipt of the Insurer's written notice, the Insurer may notify the Policyholder in writing that the Policy will be cancelled after 21 additional days, unless payment is made within such period.</p> <p>In such case, the Insurer shall be entitled to a pro-rata proportion of the premium. Payment or tender of any unearned premium by the Insurer shall not be a condition precedent to the effectiveness of cancellation, but such payment shall be made as soon as practicable.</p>
<p>8.7 Insolvency</p>	<p>Insolvency, receivership or bankruptcy of any Insured shall not relieve the Insurer of any of its obligations hereunder.</p>
<p>8.8 Plurals, Headings and Titles</p>	<p>The descriptions in the headings and titles of this policy are solely for reference and convenience and do not lend any meaning to this contract. Words and expressions in the singular shall include the plural and vice versa. In this policy, words in bold typeface have special meaning and are defined or specifically mentioned in the Schedule. Words that are not specifically defined in this policy have the meaning normally attributed to them.</p>
<p>8.9 Governing Law</p>	<p>Any interpretation of this policy relating to its construction, validity or operation shall be made in accordance with the laws of Israel and in accordance with the English text as it appears in this policy.</p>