



Cyber Protection

Policy wording

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Introduction

This **Policy** is a legal contract between the **Policyholder** (also referred to as 'You/Your') and Royal & Sun Alliance Insurance Ltd, which is a member of the RSA Group of companies (the Group). In this **Policy** the '**Insurer**' (also referred to as 'RSA', 'We' or 'Us') refers to Royal & Sun Alliance Insurance Ltd unless otherwise stated.

This **Policy** (together with any endorsements to it) and the Cyber Protection Policy Schedule (including any replacement Cyber Protection Policy Schedule issued during the **Period of Insurance** in substitution of the original) should be read as if they are one document.

The **Insurer** will provide the insurance described in the **Policy** (subject to the terms set out herein) for the **Period of Insurance** shown in the Cyber Protection Policy Schedule.

This **Policy** applies to **Claims** first made in the **Period of Insurance** or **Extended Reporting Period** and to any Events which are **Discovered** during the **Period of Insurance** and notified to the **Insurer** in accordance with the conditions of this **Policy**.

Insuring Clauses

1 Data Liability Event

The **Insurer** shall indemnify the **Insured** against **Data Liability Loss** arising from a **Claim** first made against the **Insured** or any **Outsourcer** for whom the **Insured** is legally liable for a **Data Liability Event** notified to the **Insurer** during the **Period of Insurance** or **Extended Reporting Period**.

2 Network Security Event

The **Insurer** shall indemnify the **Insured** against **Network Security Loss** arising from a **Claim** first made against the **Insured** for a **Network Security Event** notified to the **Insurer** during the **Period of Insurance** or **Extended Reporting Period**.

3 Multimedia Event

The **Insurer** shall indemnify the **Insured** against **Multimedia Event Loss** arising from a **Claim** first made against the **Insured** for a **Multimedia Event** notified to the **Insurer** during the **Period of Insurance** or **Extended Reporting Period**.

Coverage provided under this insuring clause is subject to the **Sub-limit** set forth in the Cyber Protection Policy Schedule.

4 Regulatory Costs, Fines & Penalties

The **Insurer** shall indemnify the **Insured** against **Regulatory Loss** arising from a **Claim** first made against the **Insured** for a **Regulatory Event** notified to the **Insurer** during the **Period of Insurance** or **Extended Reporting Period**.

Coverage provided under this insuring clause is subject to the **Sub-limit** set forth in the Cyber Protection Policy Schedule.

5 Cyber Business Interruption Event

The **Insurer** shall indemnify the **Insured** against **Cyber Business Interruption Loss** incurred within the **Indemnity Period** arising from the unavailability of the **Insured's Computer System**, which exceeds the **Waiting Period** and is caused by a **Cyber Business Interruption Event Discovered** and notified, to the **Insurer** during the **Period of Insurance** or **Extended Reporting Period**. Where the unavailability of the **Insured's Computer System** exceeds the **Waiting Period**, **Cyber Business Interruption Loss** incurred within the **Waiting Period** is covered.

Coverage provided under this insuring clause is subject to the **Sub-limit** set forth in the Cyber Protection Policy Schedule.

6 Contingent Business Interruption - Named Suppliers or Unnamed Suppliers

The **Insurer** shall indemnify the **Insured** against **Cyber Business Interruption Loss** incurred within the **Indemnity Period** arising from the unavailability of the:

- A) **Named Suppliers Computer System**; or
- B) **Unnamed Suppliers Computer System**.

If applicable in accordance with the Cyber Protection Policy Schedule, which exceeds the **Waiting Period** caused by a **Cyber Business Interruption Event Discovered** and notified to the **Insurer** during the **Period of Insurance** or **Extended Reporting Period**. Where the unavailability of the **Named Suppliers** or **Unnamed Suppliers Computer System** exceeds the **Waiting**

Period, **Cyber Business Interruption Loss** incurred within the **Waiting Period** is covered.

Coverage provided under this insuring clause is subject to the **Sub-limits** set forth in the Cyber Protection Policy Schedule.

7 Payment Card Industry Expenses

The **Insurer** shall indemnify the **Insured** against **Payment Card Industry Expenses** arising from a **Claim** first made against the **Insured** for a **Payment Card Industry Event** notified to the **Insurer** during the **Period of Insurance** or **Extended Reporting Period**.

Coverage provided under this insuring clause is subject to the **Sub-limit** set forth in the Cyber Protection Policy Schedule.

8 Cyber Extortion Event

The **Insurer** shall indemnify the **Insured** against **Cyber Extortion Expenses** arising from a **Cyber Extortion Event Discovered** and notified to the **Insurer** during the **Period of Insurance** or **Extended Reporting Period**. The **Insured** shall notify the police or another law enforcement body sanctioned to deal with extortion threats.

Coverage provided under this insuring clause is subject to the **Sub-limit** set forth in the Cyber Protection Policy Schedule.

9 Payment Diversion Fraud Event

The **Insurer** shall indemnify the **Insured** against **Payment Diversion Fraud Loss** arising from a **Payment Diversion Fraud Event Discovered** and notified to the **Insurer** during the **Period of Insurance** or **Extended Reporting Period**.

Coverage provided under this insuring clause is subject to the **Sub-limit** set forth in the Cyber Protection Policy Schedule.

10 Breach Response, Confidentiality, Integrity & Availability Costs

The **Insurer** shall indemnify the **Insured** for **Breach Response Costs** arising from a **Claim** first made against the **Insured** or **Event Discovered** and notified by the **Insured** to the **Insurer** during the **Period of Insurance** or **Extended Reporting Period**.

Coverage provided under this insuring clause is subject to the **Sub-limit** set forth in the Cyber Protection Policy Schedule.

11 Reputational & Crisis Management Expenses

The **Insurer** shall indemnify the **Insured** against **Reputational & Crisis Management Expenses** arising from a **Claim** first made against any **Insured** or **Event Discovered** and notified by the **Insured** to the **Insurer** during the **Period of Insurance** or **Extended Reporting Period**.

Coverage provided under this insuring clause is subject to the **Sub-limit** set forth in the Cyber Protection Policy Schedule.

12 Emergency Costs & Expenses

The **Insurer** shall retrospectively approve and indemnify the **Insured** against **Defence Costs** and **Breach Response Costs** arising from a **Claim** first made against the **Insured** or **Event Discovered** and notified by the **Insured** to the **Insurer** during the **Period of Insurance** or **Extended Reporting Period** where the **Insured** is unable to reasonably obtain the prior written consent of the **Insurer**.

Coverage provided under this insuring clause is subject to the **Sub-limit** set forth in the Cyber Protection Policy Schedule.

13 Mitigation Costs

The **Insurer** shall pay on behalf of the **Insured** fees and expenses reasonably and necessarily incurred, with the **Insurer's** prior written consent, to minimize **Loss** covered under this **Policy**, but only to the extent that such fees and expenses do not exceed the amount by which **Loss** is reduced. The maximum amount payable under this insuring clause is **Sub-limited** to 10% of the **Limit of Indemnity** or £250,000 whichever is the less.

Exclusions

Effect of Exclusions

The **Insurer** shall not be liable to indemnify the **Insured** against any **Loss** arising out of, based upon or in consequence of (either directly or indirectly) any:

1 Antitrust or Competition Law

actual or alleged antitrust violation, restraint of trade, unfair competition, or false or deceptive or misleading advertising or violation of any antitrust or competition law.

2 Bodily Injury and Property Damage

death, sickness, disease or physical injury, mental anguish or emotional distress, or damage to, or loss of, or destruction of any tangible property or loss of use thereof, data is not considered to be tangible property,

provided that this exclusion shall not apply to any **Loss** arising out of mental anguish or emotional distress suffered by a **Data Subject** directly resulting from a covered **Data Liability Event** or **Multimedia Event**.

3 Contractual agreement

warranty, obligation, guarantee or liability that has been assumed or accepted by the **Insured** under or pursuant to any contract or agreement, either oral or written,

provided that this exclusion shall not apply, if and to the extent that, such warranty, obligation, guarantee or liability would have attached in the absence of such contract or agreement.

4 Cyber Business Interruption Exclusions

A) Network Interruptions

interruption or disturbance of electricity, internet, cable, satellite, telecommunication or other critical infrastructure service, including but not limited to the disturbance of services provided by ISP's (internet service providers) or **Outsourcers**,

provided that this exclusion shall not apply to such interruptions and disturbances that are within the **Insured's** control;

B) Scheduled interruptions

scheduled interruptions of the **Insured's Computers System** including any downtime that is the result of a planned outage lasting longer than initially planned or expected; or

C) Unexpected demand

failure by the **Insured** to anticipate or plan for normal or above normal operational demand for the **Insured's Computer System**.

5 Financial & Trade Sanctions

The **Insurer** shall not provide coverage or be liable for any **Loss**, or other payment or benefit, under this **Policy** if, and to the extent that doing so, would breach any sanction, prohibition or restriction or expose the **Insurer** to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the EU, UK or USA.

6 Fraud or Dishonesty

- A) Deliberate, dishonest, criminal, fraudulent act or omission condoned, approved or committed by or on behalf of the **Insured**;
- B) Intentional breach or violation of any duty, obligation, contract, law or regulation; or
- C) Intentional causing or failure to prevent an **Event**,

provided, however, the **Insurer** shall advance **Defence Costs** until there is (i) a final decision of a court, arbitration tribunal or regulator, or (ii) a written admission which establishes such behaviour. Following such admission or finding the **Insured** shall immediately repay to the **Insurer** all such **Defence Costs** already paid to or on behalf of the **Insured**.

Actions, omissions or conduct of one **Insured** shall not to be imputed to another **Insured**, however, the knowledge possessed by and the actions, omissions or conduct of the **Directors** shall be imputed to the **Policyholder** and its **Subsidiaries**,

provided, however, that this exclusion shall not apply to any **Loss**, which arises directly from such behavior being committed by an **Employee** without the knowledge, approval or authorization of the **Insured**.

7 Insured vs Insured

Claim brought by one **Insured** against another **Insured**,

provided, however, that this exclusion shall not apply to any **Claim** brought by an **Employee** against an **Insured** where such **Claim** arises as a direct result of an otherwise covered **Claim** under a **Data Liability Event** or **Network Security Event** made by a current or former **Employee** of the **Insured**.

8 Intellectual Property Rights

patent infringement.

9 Multimedia Event

- A) defamation or other tort related to disparagement of trade reputation, or the character of any person or organisation, including libel, slander, product disparagement, trade libel, infliction of emotional distress, malicious falsehood, outrage or outrageous conduct, breach of comparative advertising regulations, failure to attribute authorship or provide credit under any agreement to which the **Insured** is a party; or
- B) infringement of intellectual property rights including but not limited to copyright, registered design, title, slogan, trade secret, trademark, trade name, trade dress, service mark, service name, domain name or breach of moral rights, passing off, plagiarism, or piracy,

provided that this exclusion shall not apply to any covered **Multimedia Event Loss**.

10 Natural Perils & Pollution

electromagnetic fields, radiation, earthquake, windstorm or other natural peril or any pollution or alleged or threatened discharge, dispersal, seepage, release or escape of pollutants or contamination of any kind.

11 Payment Diversion Fraud

Payment Diversion Fraud Event involving the collusion of an **Insured Person**.

12 Prior Claims and Circumstances

Claim or **Event** or any incident, circumstance, occurrence, fact, matter, act or omission that could lead to a **Claim** or an **Event**:

- A) Notified to any prior insurance policy; or
- B) Which any **Director** should have been aware of after reasonable enquiry prior to the **Period of insurance**.

13 Retroactive Date

Claim or **Event** or any incident, circumstance, occurrence, fact, matter, act or omission that could lead to a **Claim** or an **Event** occurring prior to the **Retroactive date**.

14 Securities Claims

Actual or alleged violation of any law (statutory or common) or rules and regulations governing the creation, registration, purchase, sale or trading of **Securities** or any offer thereof including but not limited to; the UK Financial Services and Markets Act 2000, the United States Securities Act of 1933 and the United States Securities Exchange Act of 1934 (or any amendments thereof).

15 War & Governmental Acts

Act of war, invasion, or warlike operations (whether war is declared or not), civil war, riot, civil commotion, rebellion, revolution, insurrection, civil uprising or military or usurped power or any expropriation, nationalization, confiscation, requisition, seizure or other act by a governmental body depriving the **Insured** of their assets,

provided that this exclusion shall not apply to that part of **Cyber Business Interruption Loss** caused by a legally binding order from a regulator causing the unavailability of the **Insured's Computer System** in response to a **Data Liability Event** or a **Network Security Event**.

General Conditions

The following conditions apply to this **Policy**.

1 Acquisition, Creation or Cessation of a Subsidiary

If during the **Period of Insurance** the **Insured** creates or acquires a new **Subsidiary** it will automatically be covered under this **Policy** provided that:

A) it's turnover does not exceed 10% of the **Policyholder's** gross consolidated turnover; and

B) it is not a financial institution,

but only in relation to **Claims** made or **Events Discovered** and notified, or acts committed or alleged to have been committed after the date the new **Subsidiary** was created or acquired.

If an entity ceases to be a **Subsidiary** during the **Period of Insurance** then no cover will be afforded under this **Policy** for any **Claim** made or **Event Discovered** and notified by such **Subsidiary** after the date it ceased to be a **Subsidiary**.

2 Applicable Law & Jurisdiction

This **Policy** and any dispute or claim arising out of or in connection with it or its subject matter or formation (including, without limitation, non-contractual disputes or claims) is governed by and shall be construed in accordance with the laws of England & Wales.

This **Policy** and any dispute or claim arising out of or in connection with it or its subject matter or formation (including, without limitation, non-contractual disputes or claims) is subject to the exclusive jurisdiction of the courts of England & Wales.

3 Assignment and Alteration

This **Policy** and any rights under it shall not be assigned by or on behalf of the **Insured** without the express prior written consent of the **Insurer**. No change, amendment or modification to this **Policy** shall be effective without a written endorsement to the **Policy** agreed and issued by the **Insurer**.

4 Authorization Clause

The **Policyholder** shall act on behalf of all **Insureds** with respect to:

- A) negotiating the terms and conditions of this **Policy** and binding cover;
- B) giving and receiving of all notices under this **Policy**;
- C) payment of premiums and the receiving of any return premiums that may become due under this **Policy**;
- D) the negotiation, agreement to and acceptance of endorsements to this **Policy**;
- E) any dispute resolution; or
- F) receipt of all **Loss** payments or other amounts payable under this **Policy**.

5 Change in Control

If during the **Period of Insurance**:

- A) a receiver, liquidator or administrator is appointed to any **Insured**; or
- B) the **Insured** merges into or is acquired by another organisation,

Then the **Insurer** will only be liable to pay **Loss** for a **Claim** made or **Event Discovered** and notified under this **Policy** prior to the date of such receivership, liquidation, administration, merger or acquisition.

6 Cancellation

The **Policy** may be cancelled by:

- A) the **Policyholder** at any time by giving written notice to the **Insurer**, such cancellation shall be effective ten (10) calendar days after such notice is received by the **Insurer**, the **Insurer** shall refund any unearned premium calculated pro rata in accordance with the time on risk, however no premium shall be refunded if any **Claim** or **Event** or circumstance that could lead to a **Claim** or **Event** has already been notified to the **Insurer** prior to the date of cancellation unless agreed otherwise by the **Insurer**;
- B) the **Insurer** but only for non-payment of premium; or
- C) mutual agreement between the **Insured** and **Insurer**.

7 Interpretation In this Policy:

- A) any reference to the singular shall include the plural and vice versa;
- B) any reference to any statute or statutory instrument shall include any modifications or re-enactment thereto;
- C) any heading is for ease of reference only and shall not affect its interpretation;
- D) any legal references shall include any equivalent legal provision in the jurisdiction of ordinary residence of the **Insured** or location of the risk insured provided that such jurisdiction falls within the territorial scope of this **Policy**; and
- E) references to any Act, statute or law include any rule, order, regulation or other similar instrument made thereunder and shall include any amendment, replacement, consolidation or re-enactment of such Act, statute or law.

8 Limit of Indemnity

The **Limit of Indemnity** is the maximum aggregate amount the **Insurer** will pay for any and all **Loss** arising from all **Claims** made and **Events Discovered** and notified under this **Policy**.

Each **Sub-limit** is the maximum aggregate amount the **Insurer** will pay for any and all **Loss** arising from all **Claims** made and **Events Discovered** and notified under this **Policy** and is part of and not in addition to the **Limit of Indemnity**.

9 Excess & Waiting Period

The **Insurer** shall only be liable to indemnify the **Insured** for such **Loss** that exceeds the applicable **Excess**. In the event that **Loss** arising from a related **Claim** or **Event** is covered under more than one insuring clause then only one **Excess** will apply, being the highest **Excess** applicable.

The **Excess** is to be borne by the **Insured** and shall remain uninsured.

The **Waiting Period** must elapse before the recovery of **Cyber Business Interruption Loss**. Once the **Waiting Period** has been exceed **Cyber Business Interruption Loss** incurred within the **Waiting Period** is deemed to be covered.

10 Partial Invalidity

If any provision of this **Policy** is, or becomes, invalid or unenforceable in accordance with the law to which this **Policy** is subject, such provision shall be deemed to be deleted and all other terms and conditions of this **Policy** shall remain in force and effect.

11 Reasonable Precautions

The **Insured** shall take all reasonable precautions to safeguard their **Computer System** and prevent the occurrence of and minimize the impact of any **Claim** or **Event** or any circumstance that could lead to any **Claim** or **Event**.

12 Imputation of Knowledge

No conduct, act or omission of one **Insured** shall be imputed to another **Insured**, however knowledge possessed by and the conduct, act of omission of any **Director** shall be imputed to the **Policyholder** and its **Subsidiaries**.

13 Rights of Third Parties

A third party who is not party to this **Policy** shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this **Policy** but this shall not affect any right or remedy of any third party which exists or is available apart from that Act.

14 Territorial Scope

This **Policy** will apply, where permissible by the law of this **Policy** and the Jurisdiction in which payment is to be made, to **Loss** incurred or **Claims** made or Events notified anywhere in the world unless stated otherwise in the Cyber Protection Policy Schedule.

Claims Conditions

The following conditions apply to this **Policy**:

1) Notification

Upon the **Discovery** of any:

- A) **Claim** or **Event** the **Insured** shall give notice to the **Insurer** by calling the RSA Cyber incident number detailed within the Cyber Protection Policy Schedule as soon as reasonably practicable but in any event no later than 30 days after the end of the **Period of Insurance** or **Extended Reporting Period**; or
- B) actual or suspected incident, circumstance, occurrence, fact, matter, act or omission that could lead to a **Claim** or an **Event** the **Insured** shall give written notice to the **Insurer** as soon as reasonably practicable but in any event during the **Period of Insurance**, such notice shall specify the reasons why the **Insured** believes it could lead to a **Claim** or **Event**,

any **Claim** that is subsequently made against the **Insured** or **Event** subsequently **Discovered** and notified by the **Insured** (whether or not such **Claim** or **Event** is made or notified during or after the expiry of the **Period of Insurance** or any applicable **Extended Reporting Period**) shall be deemed to have been notified to the **Insurer** at the time such notice was given by the **Insured**.

2) Cooperation & Assistance

The **Insured** shall:

- A) promptly forward to the **Insurer** (at their own costs) all documents supporting a **Claim** or **Event** together with a written proof of **Loss** which provides an explanation of the circumstances and a detailed calculation of such **Loss**;
- B) render all reasonable assistance to, and cooperate with the **Insurer** as required;
- C) take all reasonable steps to avoid or mitigate any actual or potential **Loss**; and
- D) not admit or assume any liability, make any payments, enter into any settlement agreement, pay any **Breach Response Costs**, consent to any judgment or awards without the **Insurers** prior written consent except to the extent provided for in the Emergency Costs & Expenses insuring clause.

3) Advancement of Defence Costs

The **Insurer** shall advance **Defence Costs** prior to the final disposition of a **Claim** as soon as reasonably practicable upon receipt of sufficiently detailed invoices. Provided that, if it is finally determined that such **Defence Costs** are not covered under this **Policy**, the **Insureds** severally according to their respective interests repay such uninsured **Defence Costs** to the **Insurer**.

4) Defence

The **Insurer** shall have the right, but shall not be obliged or required to:

- A) conduct the negotiation, defence and settlement of any **Claim** on behalf of the **Insured**; and
- B) appoint lawyers or other representatives for such purpose referred to in (a) above,

provided that the **Insurer's** right to conduct such negotiations, defence and make such appointments shall cease upon the exhaustion of the **Limit of Indemnity**.

5) Related Claim or Event

All **Claims** or **Events** (or **Claims** or **Events** or circumstance that could reasonably be considered as being likely to give rise to a **Loss**) arising out of, based upon or otherwise attributable to the same originating cause shall be deemed to be one single **Claim** or **Event** first made or **Discovered** when the earliest of such **Claims** or **Events** was first made or **Discovered** regardless of whether such **Claims** or **Events** involve the same or different claimants, **Insureds** or causes of action.

6) Other Insurance

If at any time a **Loss** (or **Claim** or **Event** or circumstance that could reasonably be considered as being likely to give rise to such **Loss**) arises under this **Policy** for which the **Insured** is or would, but for the existence of this **Policy** be entitled to an indemnity under any other contract or contracts of insurance (including, but not limited to, any insurance which is stated to be primary, contributory, excess, contingent or otherwise) this **Policy** will be deemed to be excess of that other contract of insurance unless such other contract is specifically written in excess of this **Policy**.

7) Subrogation & Recoveries

The **Insurer** shall be subrogated to all of the **Insured's** rights of recovery to the extent of all payments of **Loss** by the **Insurer** and any other amounts for which cover is provided under this **Policy**. The **Insured** shall do everything necessary to secure any rights, including the execution of any documents necessary to enable the **Insurer** to effectively bring a suit in the name of the **Insured** whether such acts become necessary before or after payment by the **Insurer**.

Recoveries, whether subject to a subrogation or not, with respect to any **Loss** or and any other amounts for which cover is provided under this **Policy**, will be distributed as follows::

- A) firstly to reimburse the costs and expenses actually incurred in making the recovery;
- B) secondly to the **Insurer** for the amount paid to the **Insured** for any covered **Loss**;
- C) thirdly to the **Insured** for the amount of **Loss** otherwise covered but in excess of this **Policy's Limit of Indemnity** less any applicable **Excess**;
- D) fourthly to the **Insured** for any applicable **Excess**; and
- E) fifthly to the **Insured** for **Loss** specifically excluded under this **Policy**.

Recovery by the **Insurer** from any applicable reinsurance will not be deemed a recovery hereunder.

Definitions

Breach Response Costs means:

- A Notification Costs;**
- B Forensic Costs;**
- C Credit Monitoring Costs;**
- D Identity Theft Costs;**
- E Data Restoration Costs;**
- F Call Centre Costs; and**
- G Legal Services.**

Call Center Costs means fees and expenses reasonably incurred by the **Insured** to retain the services of a call center for the benefit of **Data Subjects** following a **Data Liability Event**.

Claim means any written demand, enforcement notice, or notice before action or civil, criminal, judicial, formal administrative, regulatory or arbitral investigation or proceeding made against the **Insured** seeking compensation or other legal remedy.

Computer System means any information technology, operational technology or communication systems owned, operated, controlled, licensed or leased by the **Insured** and in respect of **Named Suppliers** or **Unnamed Suppliers**, owned, operated, controlled, licensed or leased by them.

Confidentiality Breach means accidental or negligent disclosure by the **Insured** or **Outsourcer** (for whom the **Insured** is legally liable) of information which the **Insured** has agreed in writing, or is legally required to, treat as confidential.

Credit Monitoring Costs means fees and expenses reasonably incurred by the **Insured**, and which they are legally required to provide, to pay for credit monitoring services opted for by **Data Subjects** following a **Data Liability Event** for a period of 12 months from the date first offered by the **Insured**, such offer being made no later than 12 months after the **Data Liability Event**.

Cyber Business Interruption Event means:

- A Unauthorised Access;**
- B Human error in, or unexpected technical failure of, the Insured's Computer System;**
- C Damage to or loss of data; or**
- D A legally binding order from a regulator causing the unavailability of the Insured's Computer System in response to a Data Liability Event or a Network Security Event.**

Where the **Insured** has opted to purchase **Contingent Business Interruption** in accordance with the Cyber Protection Policy Schedule this definition shall be interpreted as applying to the **Named Supplier** or **Unnamed Supplier** and definitions referred to herein shall also be interpreted as applying to the **Named Supplier** or **Unnamed Supplier**.

Cyber Business Interruption Loss means the **Insured's** loss of

- A Gross Profit** calculated as:

- (i) Reduction in **Turnover**

The sum produced by applying the **Rate of Gross Profit** to the amount by which the **Turnover** during the **Indemnity**

Period falls short of the **Standard Turnover** in consequence of the **Cyber Business Interruption Event**; and

- (ii) Increase In Cost of Working calculated as:

The additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in **Turnover** which but for that expenditure would have taken place during the **Indemnity Period** in consequence of the **Cyber Business Interruption Event** but not exceeding the total of

- a) the sum produced by applying the **Rate of Gross Profit** to the amount of the reduction thereby avoided;
- b) plus 5% of the **Limit of Indemnity** but not more than £250,000 (whichever is the less),

less any sum saved during the **Indemnity Period** in respect of any charges and expenses of the business payable out of **Gross Profit** as may cease or be reduced in consequence of the **Cyber Business Interruption Event**.

The **Insurer** shall indemnify **Cyber Business Interruption Loss** once the **Waiting Period** has elapsed.

Or

- B Gross Revenue** calculated as:

- (i) **Loss of Gross Revenue**

The amount by which the **Gross Revenue** during the **Indemnity Period** falls short of the **Standard Gross Revenue** in consequence of the **Cyber Business Interruption Event**; and

- (ii) Increase In Cost of Working

The additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in **Gross Revenue** which but for that expenditure would have taken place during the **Indemnity Period** in consequence of the **Cyber Business Interruption Event** but not exceeding the total of:

- a) the amount of reduction in **Gross Revenue** thereby avoided;
- b) plus 5% of the **Limit of Indemnity** but not more than £250,000 (whichever is the less),

less any sum saved during the **Indemnity Period** in respect of any charges and expenses of the business payable out of **Gross Revenue** as may cease or be reduced in consequence of the **Cyber Business Interruption Event**.

The **Insurer** shall indemnify **Cyber Business Interruption Loss** once the **Waiting Period** has elapsed.

Cyber Extortion Event means the actual or threatened **Unauthorized Access** by an extortionist with intent to cause a:

- A Data Liability Event;**
- B Network Security Event;**
- C Cyber Business Interruption Event; or**
- D Payment Diversion Fraud Event,**

or otherwise usurp the **Insured's Computer System** or cause a distributed denial of service (DDoS) attack.

Cyber Extortion Expenses means:

- A** fees and expenses reasonably incurred by the **Insured** with the prior written consent of the **Insurer** to employ the services of a crisis management firm, law firm or public relations consultant to manage a **Cyber Extortion Event** and to minimize or limit adverse publicity; or
- B** **Money** paid by the **Insured** with the prior written consent of the **Insurer** to resolve a **Cyber Extortion Event**.

Data Liability Event means:

- A** a breach of any **Privacy Legislation** by the **Insured** or any **Outsourcer** (for whom the **Insured** is legally liable); and
- B** a **Confidentiality Breach** by the **Insured** or any **Outsourcer** (for whom the **Insured** is legally liable).

Data Liability Loss means any judgments, settlements, awards, liability, damages, expenses (including claimants costs and expenses), incurred by or behalf of the **Insured** or amounts which the **Insured** is legally obligated to deposit in a fund as equitable relief for the payment of consumer claims due to an adverse judgement or settlement and **Defence Costs**.

Data Restoration Costs means fees and expenses reasonably incurred to:

- A** reinstall or reinstate data or programs in the **Insured's Computer System** to the state they were in prior to the **Loss** but only to the extent that such data or programs have been properly backed up and can be reinstalled or reinstated from such sources;
- B** prevent, minimize, or mitigate any further loss, damage, destruction, alteration, corruption, copying, theft or misuse of data or programs referred to in (a) above;
- C** preserve material evidence of any criminal or malicious wrongdoings; and
- D** purchase replacement licenses for programs where necessary, provided that **Data Restoration Costs** shall not include:
 - (i) the value of the data at the time of its loss, damage, destruction, alteration, corruption, copying, theft or misuse;
 - (ii) costs to rectify, erase, restrict access to or from, encrypt or anonymize personal data in order to comply with **Privacy Legislation**; or
 - (iii) costs to comply with any enforcement notice contained in any **Privacy Legislation** unless otherwise covered under this **Policy**.

Data Subject means any natural person about whom personal data, defined under **Privacy Legislation**, is being collected, processed and stored.

Defence Costs means the fees, costs and expenses (including but not limited to lawyers' fees and experts' fees) incurred by the **Insured** relating to the defence, settlement or appeal of a **Claim**,

provided that **Defence Costs** shall not include:

- A** salaries, commissions, emoluments, fees or any other benefits from employment or costs and expenses normally incurred by the **Insured** in the absence of a **Claim**;
- B** costs and expenses incurred by a customer to whom the **Insured** provides goods or services under a written contract unless ordered by a court or other legally authorized tribunal; or

- C** discounts, service credits, rebates, price reductions, coupons, prizes, awards or other contractual or non-contractual incentives, promotions or inducements offered to, or to comply with an agreement to provide such relief to the **Insured's Employees**, customers or clients.

Director means any natural person serving in the position of:

- A** a director (including a shadow director (as defined under Section 251 of the Companies Act 2006 or any equivalent provision) in the jurisdiction in which the **Insured** is incorporated);
- B** the head of Risk Management, Audit, Legal or Compliance functions;
- C** Any **Director** or **Employee** of the **Insured** who is deemed to be a Senior Manager under the Financial Services (Banking Reform) Act 2013;
- D** any principal, head teacher or governor;
- E** a trustee for a charitable or not for profit organisation and any **Employee** to whom such duties are delegated;
- F** a Limited Liability Partnership member as defined under the Limited Liability Partnership Act 2000; or
- G** a partner as defined under the Partnership Act 1890,

but only in respect of that person's involvement in the operation of the business of the **Policyholder** or **Subsidiary**.

Discovered or **Discovery** means when a **Director** of the **Policyholder** or any **Subsidiary** first learns of or first suspects an event has taken place that may lead to a **Loss** under this **Policy**.

Employee means any person acting under a contract of employment with the **Insured**, or for whom the **Insured** is legally liable or responsible in respect of that person's involvement in the operation of the business, provided that an **Employee** shall not include any **Director**, partner or principal of the **Insured**.

Event means a **Cyber Business Interruption Event**, **Cyber Extortion Event** and a **Payment Diversion Fraud Event**.

Excess means the amount or amounts specified in the Cyber Protection Policy Schedule applicable to each and every **Claim** or **Event**.

Extended Reporting Period means the period set out in the Cyber Protection Policy Schedule commencing at the expiry of the **Period of Insurance**.

Fines & Penalties means civil fines or monetary penalties payable to and imposed by a regulator or official body empowered to do so against the **Insured** where insurable under the law of this **Policy** and in the jurisdiction in which the payments are to be made.

Forensic Costs means fees and expenses reasonably incurred by the **Insured** to engage an I.T forensic specialist to investigate the cause, scope, extent or existence of circumstances that may lead to a **Claim** or **Event** or if such circumstances are actively in progress and to assist the **Insured** in containing, eliminating or reducing the effect of such circumstances.

Funds means credit balances in the **Insured's** name held at a financial institution or in the custody and control of the **Insured** and for which they are legally liable, **Funds** shall not include:

- A** cryptocurrency of any kind;
- B** **Securities**;

- C** trading losses, trading liabilities or change in value of accounts; or
- D** the value of coupons, prizes or awards.

Gross Profit means the amount by which the sum of (i) the amount of the **Turnover** and the amounts of the closing stock and work in progress exceed the sum of (ii) the amount of the opening stock and work in progress and the amount of the **Uninsured Variable Costs**.

Gross Revenue means the money paid or payable to the **Insured** for services rendered in the course of the business.

Indemnity Period means the period of time beginning at the start of the **Cyber Business Interruption Event** causing the unavailability of the **Insured's Computer System** and ending when the **Insured's Computer System** is restored to the same functionality that existed prior to the **Cyber Business Interruption Event**, provided that the maximum **Indemnity Period** shall not exceed one hundred and eighty (180) days.

Identity Theft Costs means fees and expenses reasonably incurred by the **Insured**, and which they are legally required to provide, to pay for identity theft insurance opted for by **Data Subjects** following a **Data Liability Event** for a period of 12 months from the date first offered by the **Insured**.

Insured means the **Policyholder, Subsidiary & Insured Persons**.

Insured Persons means any **Director** and any **Employee**.

Insurer means Royal & Sun Alliance Insurance Ltd (No.93792).

Legal Services means fees and expenses reasonably incurred by the **Insured** to retain a law firm:

- A** Following a **Data Liability Event** to provide advice on the notification requirements in the jurisdictions where affected **Data Subjects** reside and in accordance with legal and regulatory obligations; or
- B** Following an **Event** to provide advice on the extent to which indemnification provisions contained in any written contracts between the **Insured** and an **Outsourcer, Named Supplier, Unnamed Supplier** or third party apply.

Limit of Indemnity means the amount specified in the Cyber Protection Policy Schedule and includes all **Sub-limits**.

Loss means:

- A** **Data Liability Loss**;
- B** **Network Security Loss**;
- C** **Multimedia Event Loss**;
- D** **Regulatory Loss**;
- E** **Cyber Business Interruption Loss**;
- F** **Payment Card Industry Expenses**;
- G** **Cyber Extortion Expenses**;
- H** **Payment Diversion Fraud Loss**;
- I** **Breach Response Costs**;
- J** **Reputational & Crisis Management Expenses**;
- K** **Defence Costs**; and
- L** fees and expenses to mitigate **Loss**.

Money means tangible currency, coins and bank notes in current use and bullion, travelers' cheques, postal orders, postage stamps,

luncheon vouchers, consumer redemption vouchers, gift tokens, trading stamps, phone cards, VAT stamps, petrol cards in current use and unused credits in franking machines. **Money** shall not include cryptocurrency of any kind.

Multimedia Event means, in the context of the **Insured's** publication or broadcasting of any digital media content any actual or alleged:

- A** defamation or other tort related to disparagement of trade reputation, or the character of any person or organisation, including libel, slander, product disparagement, trade libel, infliction of emotional distress, malicious falsehood, outrage or outrageous conduct, breach of comparative advertising regulations, failure to attribute authorship or provide credit under any agreement to which the **Insured** is a party; and
- B** infringement of intellectual property rights including but not limited to copyright, registered design, title, slogan, trade secret, trademark, trade name, trade dress, service mark, service name, domain name or breach of moral rights, passing off, plagiarism, or piracy,

directly resulting from **Unauthorized Access**.

Multimedia Event Loss means judgments, settlements, awards, liability, damages and expenses (including claimants costs and expenses), incurred by or behalf of the **Insured** and **Defence Costs**.

Named Supplier means the organisation(s) named in the Cyber Protection Policy Schedule.

Network Security Event means:

- A** the negligent transmission of malware from a **Computer System** for which the **Insured** is legally responsible to a third party; or
- B** the **Insured's** failure to secure their **Computer System** resulting in **Unauthorized Access** leading to the transmission of malware to a third party.

Network Security Loss means any judgments, settlements, awards, liability, damages, expenses (including claimants costs and expenses), incurred by or behalf of the **Insured** and **Defence Costs**.

Notification Costs means:

- A** fees and expenses incurred by the **Insured** to notify **Data Subjects**, third parties and regulators following a **Data Liability Event** in accordance with their legal and regulatory duties; or
- B** fees and expenses voluntarily incurred, with the prior written consent of the **Insurer**, to notify **Data Subjects** or third parties and regulators following a **Data Liability Event** but only to the extent that such fees and expenses can reasonably be assumed to mitigate **Loss**,

provided that **Notification Costs** shall not include salaries, commissions, emoluments, fees or any other benefits from employment or costs and expenses normally incurred by the **Insured** in the absence of a **Claim** or **Event**.

Outsourcer means a natural person or organisation retained and authorized by the **Insured** to perform data storage or processing services on behalf of the **Insured**,

provided that:

- A** such services are performed under a written contract;
- B** the **Insured** retains the right to audit such services; and

C the **Insured** can demonstrate that they have vetted the natural person or organisation for competency, financial stability and integrity prior to their retention and authorisation.

Payment Card Industry Expenses means contractual penalties pursuant to a written contract between the **Insured** and a bank or other financial institution authorized to issue credit and debit cards, PCI (Payment Card Industry) forensic assessment costs, and **Defence Costs**.

Payment Card Industry Event means the breach of Payment Card Industry Data Security Standards (PCIDSS) by the **Insured** that have caused direct financial loss to a bank or other financial institution authorized to issue credit and debit cards.

Payment Diversion Fraud Event means the deliberate introduction of malware to, or the malicious alteration of code in, the **Insured's Computer System** by a third party which directly causes the criminal, fraudulent or dishonest transfer of **Funds** or **Money**, to a party other than intended or authorized, to the deprivation of the **Insured**.

Payment Diversion Fraud Loss means the sum of all **Funds** and **Money** unlawfully taken from the **Insured**.

Period of Insurance means the period specified in the Cyber Protection Policy Schedule.

Policy means, collectively, the Cyber Protection Policy Schedule and the Terms and Conditions of this contract of insurance including any endorsements attaching and substitutions thereto.

Policyholder means the entity named in the Cyber Protection Policy Schedule.

Privacy Legislation means any law, statute, declaration, decree, directive, legislative enactment, order, ordinance, regulation, rule or other binding restriction (as amended, consolidated or re-enacted from time to time) governing the protection of **Data Subjects** with regards to the processing of personal data or personally identifiable information including but not limited to; the Data Protection Act 2018 and the General Data Protection Regulation (GDPR) Regulation (EU) 2016/679.

Rate of Gross Profit means the rate which **Gross Profit** would have borne to **Turnover**, during the **Indemnity Period**, if the **Cyber Business Interruption Event** had not occurred and allowing for trends of the business or circumstances which would have affected the business irrespective of the **Cyber Business Interruption Event** occurring.

Regulatory Event means a claim by a regulator against the **Insured** arising from a **Data Liability Event** or **Network Security Event**.

Regulatory Loss means:

- A** **Defence Costs**; and
- B** **Fines & Penalties**.

Reputational & Crisis management Expenses means reasonable costs and expenses incurred by the **Insured**, with the prior written consent of the **Insurer**, to employ external reputational management consultants to advise the **Insured** how to reduce or minimize the effect of negative publicity in the event of a **Claim** or **Event** but only to the extent that it is reasonable to assume that such advice will mitigate **Loss**.

Retroactive Date means the date as specified in the Cyber Protect Policy Schedule.

Securities means negotiable and non-negotiable instruments or contracts representing **Money** or **Funds** but does not include **Money** or **Funds**, letters of credit, bills of lading, shipping documents, warehouse receipts, trust receipts, accounts receivable or any other bill, document or receipt similar in nature or effect or serving a similar purpose.

Standard Gross Revenue means the **Gross Revenue** which would have been obtained during the **Indemnity Period** if the **Cyber Business Interruption Event** had not occurred and allowing for trends of the business or circumstances which would have affected the business irrespective of the **Cyber Business Interruption Event** occurring.

Standard Turnover means the **Turnover** which would have been obtained during the **Indemnity Period** if the **Cyber Business Interruption Event** had not occurred and allowing for trends of the business or circumstances which would have affected the business irrespective of the **Cyber Business Interruption Event** occurring.

Sub-limit means the amount specified in the Cyber Protection Policy Schedule, for the cover to which it applies, and is part of the **Limit of Indemnity**.

Subsidiary means any entity;

- A** in which the **Insured** holds directly or indirectly more than fifty per cent (50%) of the voting rights;
- B** in which the **Insured** has the right to appoint or remove a majority of the board of **Directors**;
- C** in which the **Insured** holds more than half the issued share capital; or
- D** that is declared to and accepted by the **Insurer** and is endorsed on the Cyber Protection Policy Schedule.

Turnover means the money paid or payable to the **Insured** for work done, goods sold and delivered and services rendered in the course of the business.

Unauthorized Access means access to and use of the **Insured's Computer System** by:

- A** any person or persons not authorized to do so including **Employees**;
- B** automated malware and robotic systems (e.g. botnets) circumventing security systems designed to protect against **Unauthorized Access**; or
- C** an authorized person or persons acting, accessing or otherwise using the **Insured's Computer System** in an unauthorized manner.

Uninsured Variable Costs means purchases (net of discounts) packaging, carriage and freight.

Unnamed Supplier means any **Outsourcer** or any organisation which the **Insured** has retained under written contract to supply information technology systems, telecommunications systems or the hosting of business critical software or applications, provided that the **Insured** can demonstrate that they have vetted them for competency, financial stability and integrity prior to their retention. An **Unnamed Supplier** shall not include a **Named Supplier**.

Waiting Period means the period of time stated in the Cyber Protection Policy Schedule.

Privacy Notice

At Royal & Sun Alliance Insurance Ltd we provide commercial insurance policies directly or in partnership with other organisations.

Where individuals are covered under the terms of these insurance policies we may need to process their personal information.

Information including the purpose and basis for the processing, how long data will be retained for and about the individual rights under the data protection regulation can be found at:

www.rsagroup.com/support/legal-information/privacy-policy/

If you have any questions or comments about this Privacy Notice please contact:

The Data Protection Officer
RSA
Bowling Mill
Dean Clough Industrial Park Halifax
HX3 5WA

You may also email us at **crt.halifax@uk.rsagroup.com**

Complaints Procedure

Our Commitment to Customer Service

We are committed to going the extra mile for our customers. If you believe that we have not delivered the service you expected, we want to hear from you so that we can try to put things right. We take all complaints seriously and following the steps below will help us understand your concerns and give you a fair response.

Our promise to you We will:

- Acknowledge Your complaint promptly;
- Investigate quickly and thoroughly;
- Keep You informed of progress;
- Do everything possible to resolve Your complaint; and
- Use the information from your complaint to proactively improve our service in the future.

Once we have received a complaint we will issue our final decision in writing within eight (8) weeks of the date we received your complaint.

Step 1

If your complaint relates to your **Policy** then please contact the sales and service team in the office that issued the **Policy** or your broker. If your complaint relates to a claim then please call the claims helpline number shown in the **Policy**.

We aim to resolve your concerns by close of the next business day. Experience tells us that most difficulties can be sorted out within this time.

Step 2

In the unlikely event that your concerns have not been resolved within this time, your complaint will be referred to Our Customer Relations Team who will arrange for an investigation on behalf of Our Chief Executive. Their contact details are as follows:

Post: RSA
Customer Relations Team
P O Box 255
Wymondham NR18 8DP

Email: crt.halifax@uk.rsagroup.com

If you are still not happy

If you are still unhappy after our review, or you have not received a written offer of resolution within eight (8) weeks of the date we received the **Insured's** complaint, you may be eligible to refer the case to the Financial Ombudsman Service. The Financial Ombudsman Service is an independent body that arbitrates on complaints. They can be contacted at:

Post: Financial Ombudsman Service
Exchange Tower
Harbour Exchange Square
London E14 9SR

Telephone: 0800 0234567 (free from standard landline, mobiles may be charged)
0300 1239123 (same rate as 01 or 02 numbers on mobile phone tariffs)

Email: complaint.info@financial-ombudsman.org.uk

Website: www.financial-ombudsman.org.uk

The **Insured** has six (6) months from the date of our final response to refer any complaint to the Financial Ombudsman Service. This does not affect your right to take legal action. However, the Financial Ombudsman Service will not adjudicate on any case where litigation has commenced.

Thank You for feedback

We value your feedback and at the heart of our brand, the **Insurer** remains dedicated to treating our customers as individuals and giving them the best possible service at all times. If we have fallen short of this promise, we apologise and aim to do everything possible to put things right.

