



Union Mutual Fire Insurance Company

BUSINESSOWNERS

Renewal Extension Declaration

Visit our website at
www.unionmutual.com

Direct Bill 4 Pay Renewal

POLICY NUMBER	FROM	POLICY PERIOD	TO	EFFECTIVE
BOP0010345-12	11/30/2017	11/30/2018	12:01 AM STANDARD TIME AT MAILING ADDRESS	11/30/2017
NAMED INSURED AND ADDRESS			AGENT NAME AND ADDRESS	
JERSEY COURT CONDOMINIUM HOMEOWNERS ASSOCIATION I 72 JERSEY CT MORRISVILLE, VT 05661-4429			NFP PROPERTY AND CASUALTY SERVICES, INC. 78 VT RTE 15W MORRISVILLE, VT 05661	
			Phone: (802) 888-3143	VT 08028-0

FORM OF BUSINESS: Association

In return for the payment of premium, and subject to all of the terms of this policy, we agree to provide the insurance as stated in this policy.

PREMIUM SUMMARY

PREMIUM FOR THIS TRANSACTION	COVERAGES	\$5,950.00
	FEDERAL TERRORISM COVERAGE	Included
	CUSTOMER LOYALTY DISCOUNT	-\$406.00
	NEW POLICY PREMIUM	\$5,544.00

PAYMENT SCHEDULE FOR THE CURRENT TERM

BASED ON 11/30/2017 EFF DATE

Payment Schedule

Due 11/30/2017	\$1,669.20
Due 02/28/2018	\$1,297.75
Due 05/29/2018	\$1,297.75
Due 08/27/2018	\$1,303.30

*Installments Include \$6 Installment Fee (with the exception of EFT or Full Pay payment plans).
This is not a bill. You will receive a bill in a separate mailing (with the exception of EFT billing).

POLICY LEVEL COVERAGES

DEDUCTIBLE

Each paid claim for the following coverages reduces the amount of insurance we provide during the applicable annual period. Please refer to Section II - Liability in the Businessowners Coverage Form and any attached endorsements.

Business Liability	\$1,000,000 Per Occurrence	
Medical Expenses	\$5,000 Per Person	
Personal and Advertising Injury	\$1,000,000	
Other Than Products / Completed Operations Aggregate	\$2,000,000	
Products / Completed Operations Aggregate	\$2,000,000	
Damage To Premises Rented To You	\$50,000 Any One Premises	
Employee Dishonesty	\$25,000	\$500



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RENEWAL EXTENSION DECLARATION

DESCRIBED PREMISES

Prm 1 Bld 1

OCCUPANCY: #71 JERSEY COURT - TWO UNIT CONDO RESIDENTIAL

LOCATION: JERSEY COURT
MORRISVILLE, VT 05661

COVERAGE LIMITS

DEDUCTIBLE

Building - Replacement Cost
Automatic Increase in Insurance 2%
Business Income and Extra Expense
Period of Indemnity - 12 Months
Ordinary Payroll - 60 Days
Extended Business Income
Number of Consecutive Days - 30 Days
Equipment Breakdown Endorsement

\$446,000
Actual Loss Sustained

\$1,000
Waiting Period
None

DESCRIBED PREMISES

Prm 1 Bld 2

OCCUPANCY: #17 JERSEY COURT - TWO UNIT CONDO RESIDENTIAL

LOCATION: JERSEY COURT
MORRISVILLE, VT 05661

COVERAGE LIMITS

DEDUCTIBLE

Building - Replacement Cost
Automatic Increase in Insurance 2%
Business Income and Extra Expense
Period of Indemnity - 12 Months
Ordinary Payroll - 60 Days
Extended Business Income
Number of Consecutive Days - 30 Days
Equipment Breakdown Endorsement

\$446,000
Actual Loss Sustained

\$1,000
Waiting Period
None

DESCRIBED PREMISES

Prm 1 Bld 3

OCCUPANCY: #47 JERSEY COURT - TWO UNIT CONDO RESIDENTIAL

LOCATION: JERSEY COURT
MORRISVILLE, VT 05661

COVERAGE LIMITS

DEDUCTIBLE

Building - Replacement Cost
Automatic Increase in Insurance 2%
Business Income and Extra Expense
Period of Indemnity - 12 Months
Ordinary Payroll - 60 Days
Extended Business Income

\$546,000
Actual Loss Sustained

\$1,000
Waiting Period
None



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RENEWAL EXTENSION DECLARATION

Number of Consecutive Days - 30 Days
Equipment Breakdown Endorsement

DESCRIBED PREMISES

Prm 1 Bld 4

OCCUPANCY: #73 JERSEY COURT - TWO UNIT CONDO RESIDENTIAL

LOCATION: JERSEY COURT
MORRISVILLE, VT 05661

COVERAGE LIMITS

DEDUCTIBLE

Building - Replacement Cost
Automatic Increase in Insurance 2%
Business Income and Extra Expense
Period of Indemnity - 12 Months
Ordinary Payroll - 60 Days
Extended Business Income
Number of Consecutive Days - 30 Days
Equipment Breakdown Endorsement

\$446,000
Actual Loss Sustained

\$1,000
Waiting Period
None

DESCRIBED PREMISES

Prm 1 Bld 5

OCCUPANCY: #97 JERSEY COURT - TWO UNIT CONDO RESIDENTIAL

LOCATION: JERSEY COURT
MORRISVILLE, VT 05661

COVERAGE LIMITS

DEDUCTIBLE

Building - Replacement Cost
Automatic Increase in Insurance 2%
Business Income and Extra Expense
Period of Indemnity - 12 Months
Ordinary Payroll - 60 Days
Extended Business Income
Number of Consecutive Days - 30 Days
Equipment Breakdown Endorsement

\$446,000
Actual Loss Sustained

\$1,000
Waiting Period
None

DESCRIBED PREMISES

Prm 1 Bld 6

OCCUPANCY: #33 JERSEY COURT - TWO UNIT CONDO RESIDENTIAL

LOCATION: JERSEY COURT
MORRISVILLE, VT 05661

COVERAGE LIMITS

DEDUCTIBLE

Building - Replacement Cost
Automatic Increase in Insurance 2%
Business Income and Extra Expense
Period of Indemnity - 12 Months

\$546,000
Actual Loss Sustained

\$1,000
Waiting Period
None



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RENEWAL EXTENSION DECLARATION

Ordinary Payroll - 60 Days
Extended Business Income
Number of Consecutive Days - 30 Days
Equipment Breakdown Endorsement

DESCRIBED PREMISES

Prm 1 Bld 7

OCCUPANCY: #59 JERSEY COURT - TWO UNIT CONDO RESIDENTIAL

LOCATION: JERSEY COURT
MORRISVILLE, VT 05661

COVERAGE LIMITS

DEDUCTIBLE

Building - Replacement Cost	\$546,000	\$1,000
Automatic Increase in Insurance 2%		
Business Income and Extra Expense	Actual Loss Sustained	Waiting Period
Period of Indemnity - 12 Months		None
Ordinary Payroll - 60 Days		
Extended Business Income		
Number of Consecutive Days - 30 Days		
Equipment Breakdown Endorsement		

DESCRIBED PREMISES

Prm 1 Bld 8

OCCUPANCY: #87 JERSEY COURT - TWO UNIT CONDO RESIDENTIAL

LOCATION: JERSEY COURT
MORRISVILLE, VT 05661

COVERAGE LIMITS

DEDUCTIBLE

Building - Replacement Cost	\$446,000	\$1,000
Automatic Increase in Insurance 2%		
Business Income and Extra Expense	Actual Loss Sustained	Waiting Period
Period of Indemnity - 12 Months		None
Ordinary Payroll - 60 Days		
Extended Business Income		
Number of Consecutive Days - 30 Days		
Equipment Breakdown Endorsement		



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RENEWAL EXTENSION DECLARATION

INSURABLE INTERESTS

MORTGAGEE NAME	ADDRESS	LOAN NUMBER	INTEREST TYPE	APPLICABLE LOCATIONS
UNITED BANK ISAOA/ATIMA MORTGAGEE	PO BOX 515, Carmel, IN 46082-0515		FIRST MORTGAGEE	Prm 1 Bld 6 Prm 1 Bld 8 Prm 1 Bld 7 Prm 1 Bld 4 Prm 1 Bld 5 Prm 1 Bld 2 Prm 1 Bld 3 Prm 1 Bld 1

POLICY FORMS

Forms and endorsements referenced here are for identification only. Consult the documents themselves to learn of the coverage provided by this policy. Forms shown apply to ALL premise(prm)/building(bld) items listed on the declarations unless specifically noted below.

NUMBER	EDITION DATE	DESCRIPTION	
POLJAC		Policy Jacket	
AINFO	12-16	Advisory Notice - Businessowners Access or Disclos	
BP0003	01-10	Businessowners Coverage Form	
BP0114	01-06	VT - Contamination Or Pollution Exception	Prm 1 Bld 1 Prm 1 Bld 2 Prm 1 Bld 3 Prm 1 Bld 4 Prm 1 Bld 5 Prm 1 Bld 6 Prm 1 Bld 7 Prm 1 Bld 8
BP0134	06-15	Vermont Changes	
BP0177	07-02	Vermont Changes - Civil Union	
BP0412	01-06	Limitation Of Coverage To Designated Premises Or P	
BP0417	01-10	Employment Related Practices Exclusion	
BP0439VT	01-12	VT - Sexual Abuse Or Molestation Exclusion	
BP0441	01-10	Business Income Changes - Time Period	
BP0483	01-10	Removal Of Insurance-To-Value Provision	
BP0501	07-02	Calculation Of Premium	
BP0524	01-08	Exclusion Of Certified Acts Of Terrorism	
BP0542	01-08	Exclusion Of Punitive Damages Related To A Certifi	
BP0564	01-07	Conditional Exclusion Of Terrorism (Relating To Di	
BP0565	01-07	Conditional Exclusion Of Terrorism Involving Nucle	
BP0567	01-06	Exclusion Of Terrorism	



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RENEWAL EXTENSION DECLARATION

NUMBER	EDITION DATE	DESCRIPTION
BP0568	01-06	Exclusion Of Terrorism Involving Nuclear, Biologic
BP0577	01-06	Fungi Or Bacteria Exclusion (Liability)
BP1505	05-14	Exclusion - Access or Disclosure of Confidential o
BP1701	01-06	Condominium Association Coverage
BP9034	03-13	Condo, Co-ops, Assoc - Directors And Officers Lia
BP9038	05-16	Data Compromise Coverage
BP7006	03-16	Equipment Breakdown Endorsement - HSB
BP9041	07-16	Employee Dishonesty - Employees
BPIN01	01-10	Businessowners Coverage Form Index
ILP001	01-04	U.S. Treasury Department's Office Of Foreign Asset

AGENCY AT MORRISVILLE, VT

DATE 10/10/2017

AUTHORIZED COUNTERSIGNATURE

Agents Copy

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Dear JERSEY COURT CONDOMINIUM HOMEOWNERS ASSOCIATION I:

Thank you for renewing your policy with us!

For more than 140 years the Union Mutual Companies have prided themselves on delivering quality personal and commercial lines insurance coverage through local Independent Insurance Agents. Beginning modestly in the state of Vermont, our service now extends throughout all six New England states as well as the State of New York. We pride ourselves on providing not only service that is "second to none" to all of our more than 100,000 policyholders, but also the peace of mind of being insured with a company focused on long-term financial security.

Because you are now part of the Union Mutual family we thought it would be helpful to share our corporate values with you:

- We are committed to sound judgment and personal initiative through standards that promote, achieve and reward high performance.
- We pursue and develop long-term relationships with our employees, policyholders, agents and other business partners.
- We act with a high level of integrity and are committed to an atmosphere of respect, loyalty and mutual support.
- We maintain a friendly, courteous and professional environment where every member matters and which fosters a work-life balance.

These are not just words on paper, but working principles which we believe distinguish us from other insurance companies. If you ever find that not to be the case, please let me know.

For more information about our company, our products, and insurance in general, we invite you to visit our website at www.unionmutual.com. While there be sure to check out the Policyholder Resources page and set up a UMV4ME account. Feel free to contact your independent insurance agent should you have any questions about your policy. Thank you for your business.

Sincerely,

Michael W. Nobles

President and Chief Executive

To review our Privacy Policy—Please see reverse



Union Mutual Fire Insurance Company
Community Mutual Insurance Company
Eastern Mutual Insurance Company
New England Guaranty Insurance Company, Inc.

139 State Street, P.O. Box 158
Montpelier, VT 05601
800-300-5261
www.unionmutual.com

Union Mutual Companies Privacy Policy

To provide you with insurance, we collect nonpublic personal information about you from the following sources: your application and other forms and information you provide to us or to our agents; transactions you have had in the past with us, our agents or our insurance affiliates; information received from non-affiliated third party service providers with whom we contract to provide underwriting or claims service functions and, if necessary, consumer reporting agencies.

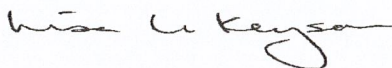
We restrict access to nonpublic personal information about you or your family to those who need that information to provide the services you request or to whom we are obligated to provide the information. We maintain physical, electronic and procedural safeguards that comply with federal and state regulations regarding privacy of such information.

We do not disclose any nonpublic personal information about our policyholders or our former policyholders to anyone, except as permitted by law.

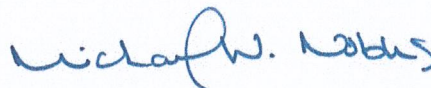
MUTUAL MEMBERSHIP AND VOTING NOTICE: The insured is notified that by virtue of this policy, the insured is a member of the Union Mutual Fire Insurance Company of Montpelier, Vermont, and is entitled to vote either in person or by proxy at any and all meetings of said Company. The Annual Meeting is held in the company's Home Office, on the last Wednesday of February each year.

MUTUAL PARTICIPATION CLAUSE WITHOUT CONTINGENT LIABILITY: This policy is non-assessable. The policyholder is a member of the company and shall participate, to the extent and upon the conditions fixed and determined by the Board of Directors in accordance with the provisions of law, in the distribution of dividends as fixed and determined.

In Witness Whereof, we have caused this policy to be executed and attested, and, if required by state law, this policy shall not be valid unless countersigned by our authorized representative.



Corporate Secretary



President

"This policy letter with the policy forms, declarations page and endorsements, if any, issued to form a part thereof, completes this policy."

**UNION MUTUAL FIRE INSURANCE COMPANY
NEW ENGLAND GUARANTY INSURANCE COMPANY, INC.**

**BUSINESSOWNERS
BP 90 38 05 16**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**DATA COMPROMISE COVERAGE
RESPONSE EXPENSES AND DEFENSE AND LIABILITY**

Coverage under this endorsement is subject to the following:

SECTION 1 – RESPONSE EXPENSES

**Data Compromise
Response Expenses Limit:** \$50,000
Annual Aggregate

Sublimits
Named Malware (Sec. 1) \$50,000
Forensic IT Review: \$5,000
Legal Review: \$5,000
PR Services: \$5,000
Any one "Personal Data Compromise"

Response Expenses Deductible: \$1,000
Any one "Personal Data Compromise"

SECTION 2 – DEFENSE AND LIABILITY

**Data Compromise
Defense Limit:** \$50,000
Annual Aggregate

**Data Compromise
Liability Limit:** \$50,000
Annual Aggregate

Sublimits
Named Malware (Sec. 2) \$50,000
Any one "Personal Data Compromise"

Defense and Liability Deductible: \$1,000
Each "Data Compromise Suit"

The following is added as an Additional Coverage to the Property section:

SECTION 1 – RESPONSE EXPENSES

DATA COMPROMISE COVERED CAUSE OF LOSS

Coverage under this Data Compromise Coverage endorsement applies only if all of the following conditions are met:

1. There has been a "personal data compromise"; and
2. Such "personal data compromise" is first discovered by you during the policy period for which this Data Compromise Coverage endorsement is applicable; and
3. Such "personal data compromise" is reported to us within 60 days after the date it is first discovered by you.

COVERAGE – SECTION 1

If the three conditions listed above in DATA COMPROMISE – COVERED CAUSE OF LOSS have been met, then we will provide coverage for the following expenses when they arise directly from the covered cause of loss and are necessary and reasonable. Coverages 4 and 5 apply only if there has been a notification of the "personal data compromise" to "affected individuals" as covered under coverage 3.

1. Forensic IT Review

Professional information technologies review if needed to determine, within the constraints of what is possible and reasonable, the nature and extent of the "personal data compromise" and the number and identities of the "affected individuals".

This does not include costs to analyze, research or determine any of the following:

- a. Vulnerabilities in systems, procedures or physical security;
- b. Compliance with PCI or other industry security standards; or
- c. The nature or extent of loss or damage to data that is not "personally identifying information" or "personally sensitive information".

If there is reasonable cause to suspect that a covered "personal data compromise" may have occurred, we will pay for costs covered under Forensic IT Review, even if it is eventually determined that there was no covered "personal data compromise". However, once it is determined that there was no covered "personal data

compromise", we will not pay for any further costs.

2. Legal Review

Professional legal counsel review of the "personal data compromise" and how you should best respond to it.

If there is reasonable cause to suspect that a covered "personal data compromise" may have occurred, we will pay for costs covered under Legal Review, even if it is eventually determined that there was no covered "personal data compromise". However, once it is determined that there was no covered "personal data compromise", we will not pay for any further costs.

3. Notification to Affected Individuals

We will pay your necessary and reasonable costs to provide notification of the "personal data compromise" to "affected individuals".

4. Services to Affected Individuals

We will pay your necessary and reasonable costs to provide the following services to "affected individuals".

a. The following services apply to any "personal data compromise".

1) Informational Materials

A packet of loss prevention and customer support information.

2) Help Line

A toll-free telephone line for "affected individuals" with questions about the "personal data compromise". Where applicable, the line can also be used to request additional services as listed in b. 1) and 2).

b. The following additional services apply to "personal data compromise" events involving "personally identifying information".

1) Credit Report and Monitoring

A credit report and an electronic service automatically monitoring for activities affecting an individual's credit records. This service is subject to the "affected individual" enrolling for this service with the designated service provider.

2) Identity Restoration Case Management

As respects any "affected individual" who is or appears to be a victim of "identity theft" that may reasonably have arisen from the

"personal data compromise", the services of an identity restoration professional who will assist that "affected individual" through the process of correcting credit and other records and, within the constraints of what is possible and reasonable, restoring control over his or her personal identity.

5. PR Services

Professional public relations firm review of and response to the potential impact of the "personal data compromise" on your business relationships.

This includes costs to implement public relations recommendations of such firm. This may include advertising and special promotions designed to retain your relationship with "affected individuals". However, we will not pay for promotions:

- a. Provided to any of your directors or employees; or;
- b. Costing more than \$25 per "affected individual".

LIMITS – SECTION 1

The most we will pay under Response Expenses coverage is the Data Compromise Response Expenses Limit indicated for this endorsement.

The Data Compromise Response Expenses Limit is an annual aggregate limit. This amount is the most we will pay for the total of all loss covered under Section 1 arising out of all "personal data compromise" events which are first discovered by you during the present annual policy period. This limit applies regardless of the number of "personal data compromise" events discovered by you during that period.

A "personal data compromise" may be first discovered by you in one policy period but cause covered costs in one or more subsequent policy periods. If so, all covered costs arising from such "personal data compromise" will be subject to the Data Compromise Response Expenses Limit applicable to the policy period when the "personal data compromise" was first discovered by you.

The most we will pay under Response Expenses coverage for loss arising from any "malware-related compromise" is the Named Malware (Sec. 1) sublimit indicated for this endorsement. For the purpose of the Named Malware (Sec. 1) sublimit, all "malware-related compromises" that are caused, enabled or abetted by the same virus or other malicious code are considered to be a single "personal data compromise". This sublimit is part of, and not in addition to the Data Compromise Response Expenses Limit.

The most we will pay under Forensic IT Review, Legal

Review and PR Services coverages for loss arising from any one "personal data compromise" is the applicable sublimit for each of those coverages indicated for this endorsement. These sublimits are part of, and not in addition to, the Data Compromise Response Expenses Limit. PR Services coverage is also subject to a limit per "affected individual" as described in 5. PR Services.

Coverage for Services to "affected individuals" is limited to costs to provide such services for a period of up to one year from the date of the notification to the "affected individuals". Notwithstanding, coverage for Identity Restoration Case Management services initiated within such one year period may continue for a period of up to one year from the date such Identity Restoration Case Management services are initiated.

DEDUCTIBLE – SECTION 1

Response Expenses coverage is subject to the Response Expenses Deductible indicated for this endorsement. You shall be responsible for such deductible amount as respects each "personal data compromise" covered under this endorsement.

SECTION 2 – DEFENSE AND LIABILITY

DEFENSE AND LIABILITY COVERED CAUSE OF LOSS

Coverage under this Data Compromise Coverage endorsement applies only if all three of the conditions in DATA COMPROMISE – COVERED CAUSE OF LOSS are met.

Only with regard to Section 2 – Defense and Liability coverage, the following conditions must also be met:

1. You have provided notifications and services to "affected individuals" in consultation with us pursuant to Response Expenses coverage; and
2. You receive notice of a "data compromise suit" brought by one or more "affected individuals" or by a governmental entity on behalf of one or more "affected individuals"; and
3. Notice of such "data compromise suit" is received by you within two years of the date that the "affected individuals" are notified of the "personal data compromise"; and
4. Such "data compromise suit" is reported to us as soon as practicable, but in no event more than 60 days after the date it is first received by you.

COVERAGE – SECTION 2

If all of the conditions listed above in DEFENSE AND LIABILITY – COVERED CAUSE OF LOSS have been met, then we will provide coverage for "data compromise defense costs" and "data compromise liability" directly arising from the covered cause of loss.

LIMITS – SECTION 2

The most we will pay for "data compromise defense costs" under Defense and Liability coverage is the Data Compromise Defense Limit indicated for this endorsement.

The most we will pay for "data compromise liability" under Defense and Liability coverage is the Data Compromise Liability Limit indicated for this endorsement.

The Data Compromise Defense Limit and the Data Compromise Liability Limit are annual aggregate limits and are the most we will pay for all loss covered under Section 2 (other than post-judgment interest) arising out of all "personal data compromise" events which are first discovered by you during the present annual policy period. These limits apply regardless of the number of "personal data compromise" events discovered by you during that period.

A "personal data compromise" may be first discovered by you in one policy period but cause covered costs in one or more subsequent policy periods. If so, all covered costs (other than post-judgment interest) arising from such "personal data compromise" will be subject to the Data Compromise Defense Limit and the Data Compromise Liability Limit applicable to the policy period when the "personal data compromise" was first discovered by you.

The most we will pay under Defense and Liability coverage for loss arising from any "malware-related compromise" is the Named Malware (Sec. 2) sublimit indicated for this endorsement. For the purpose of the Named Malware (Sec. 2) sublimit, all "malware-related compromises" that are caused, enabled or abetted by the same virus or other malicious code are considered to be a single "personal data compromise". This sublimit is part of, and not in addition to, the Defense Limit and the Liability Limit.

DEDUCTIBLE – SECTION 2

Defense and Liability coverage is subject to the Defense and Liability Deductible indicated for this endorsement. You shall be responsible for such deductible amount as respects each "data compromise suit" covered under this endorsement.

EXCLUSIONS, ADDITIONAL CONDITIONS

AND DEFINITIONS APPLICABLE TO BOTH SECTION 1 AND SECTION 2

EXCLUSIONS

The following additional exclusions apply to this coverage:

We will not pay for costs arising from the following:

1. Your intentional or willful complicity in a "personal data compromise".
2. Any criminal, fraudulent or dishonest act, error or omission, or any intentional or knowing violation of the law by you.
3. Any "personal data compromise" occurring prior to the first inception of this Data Compromise Coverage endorsement or any coverage substantially similar to that described in this endorsement.
4. Costs to research or correct any deficiency. This includes, but is not limited to, any deficiency in your systems, procedures or physical security that may have contributed to a "personal data compromise".
5. Any fines or penalties. This includes, but is not limited to, fees or surcharges from affected financial institutions.
6. Any criminal investigations or proceedings.
7. Any extortion or blackmail. This includes, but is not limited to, ransom payments and private security assistance.
8. Any "personal data compromise" involving data that is being transmitted electronically, unless such data is encrypted to protect the security of the transmission.
9. Your reckless disregard for the security of "personally identifying information" or "personally sensitive information" in your care, custody or control.
10. That part of any "data compromise suit" seeking any non-monetary relief.

ADDITIONAL CONDITIONS

The following Additional Conditions apply to all coverages under this endorsement.

A. Data Compromise Liability Defense

1. We shall have the right and the duty to assume the defense of any applicable "data compromise suit" against you. You shall give us such information and cooperation as we may

reasonably require.

2. You shall not admit liability for or settle any "data compromise suit" or incur any defense costs without our prior written consent.
3. If you refuse to consent to any settlement recommended by us and acceptable to the claimant, we may then withdraw from your defense by tendering control of the defense to you. From that point forward, you shall, at your own expense, negotiate or defend such "data compromise suit" independently of us. Our liability shall not exceed the amount for which the claim or suit could have been settled if such recommendation was consented to, plus defense costs incurred by us, and defense costs incurred by you with our written consent, prior to the date of such refusal.
4. We shall not be obligated to pay any defense costs, or to defend or continue to defend any "data compromise suit", after the Data Compromise Defense Limit has been exhausted. We shall not be obligated to pay any damages after the Data Compromise Liability Limit has been exhausted.
5. We shall pay all interest on that amount of any judgment within the Data Compromise Liability Limit which accrues:
 - a. after entry of judgment; and
 - b. before we pay, offer to pay or deposit in court that part of the judgment within the Data Compromise Liability Limit or, in any case, before we pay or offer to pay the entire Data Compromise Liability Limit.

These interest payments shall be in addition to and not part of the Data Compromise Liability Limit.

B. Duties in the Event of a "Data Compromise Suit"

1. If a "data compromise suit" is brought against you, you must:
 - a. Immediately record the specifics of the "data compromise suit" and the date received; and
 - b. Provide us with written notice, as soon as practicable, but in no event more than 60 days after the date the "data compromise suit" is first received by you.
 - c. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "data compromise suit";

- d. Authorize us to obtain records and other information;
 - e. Cooperate with us in the investigation, settlement or defense of the "data compromise suit";
 - f. Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to you because of loss to which this insurance may also apply; and
 - g. Not take any action, or fail to take any required action, that prejudices your rights or our rights with respect to such "data compromise suit".
2. You may not, except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense without our prior written consent.
 3. If you become aware of a claim or complaint that may become a "data compromise suit", you shall promptly inform us of such claim or complaint.

C. Due Diligence

You agree to use due diligence to prevent and mitigate costs covered under this endorsement. This includes, but is not limited to, complying with, and requiring your vendors to comply with, reasonable and industry-accepted protocols for:

1. Providing and maintaining appropriate physical security for your premises, computer systems and hard copy files;
2. Providing and maintaining appropriate computer and Internet security;
3. Maintaining and updating at appropriate intervals backups of computer data;
4. Protecting transactions, such as processing credit card, debit card and check payments; and
5. Appropriate disposal of files containing "personally identifying information" or "personally sensitive information", including shredding hard copy files and destroying physical media used to store electronic data.

D. Legal Advice

We are not your legal advisor. Our determination of what is or is not covered under this Data Compromise Coverage endorsement does not represent advice or counsel from us about what you should or should not do.

E. Pre-Notification Consultation

You agree to consult with us prior to the issuance of notification to "affected individuals". We assume no responsibility under this Data Compromise Coverage for any services promised to "affected individuals" without our prior agreement. If possible, this pre-notification consultation will also include the designated service provider(s) as agreed to under Additional Condition F. Service Providers. You must provide the following at our pre-notification consultation with you:

1. The exact list of "affected individuals" to be notified, including contact information.
2. Information about the "personal data compromise" that may appropriately be communicated with "affected individuals".
3. The scope of services that you desire for the "affected individuals". For example, coverage may be structured to provide fewer services in order to make those services available to more "affected individuals" without exceeding the available Response Expenses Limit.

F. Service Providers

1. We will only pay under this Data Compromise Coverage for services that are provided by service providers approved by us. You must obtain our prior approval for any service provider whose expenses you want covered under this Data Compromise Coverage. We will not unreasonably withhold such approval.
2. Prior to the Pre-Notification Consultation described in Additional Condition E. above, you must come to agreement with us regarding the service provider(s) to be used for the Notification to Affected Individuals and Services to Affected Individuals. We will suggest a service provider. If you prefer to use an alternate service provider, our coverage is subject to the following limitations:
 - a. Such alternate service provider must be approved by us;
 - b. Such alternate service provider must provide services that are reasonably equivalent or superior in both kind and quality to the services that would have been provided by the service provider we had suggested; and
 - c. Our payment for services provided by any alternate service provider will not exceed the

amount that we would have paid using the service provider we had suggested.

G. Services

The following conditions apply as respects any services provided to you or any "affected individual" by us, our designees or any service firm paid for in whole or in part under this Data Compromise coverage:

1. The effectiveness of such services depends on your cooperation and assistance.
2. All services may not be available or applicable to all individuals. For example, "affected individuals" who are minors or foreign nationals may not have credit records that can be provided or monitored. Service in Canada will be different from service in the United States and Puerto Rico in accordance with local conditions.
3. We do not warrant or guarantee that the services will end or eliminate all problems associated with the covered events.
4. You will have a direct relationship with the professional service firms paid for in whole or in part under this coverage. Those firms work for you.

DEFINITIONS

With respect to the provisions of this endorsement only, the following definitions are added:

1. "Affected Individual" means any person who is your current, former or prospective customer, client, member, owner, director or employee and whose "personally identifying information" or "personally sensitive information" is lost, stolen, accidentally released or accidentally published by a "personal data compromise" covered under this endorsement. This definition is subject to the following provisions:
 - a. "Affected individual" does not include any business or organization. Only an individual person may be an "affected individual".
 - b. An "affected individual" must have a direct relationship with your interests as insured under this policy. The following are examples of individuals who would not meet this requirement:
 - 1) If you aggregate or sell information about individuals as part of your business, the individuals about whom you keep such information do not qualify as "affected individuals". However, specific individuals may qualify as "affected individuals" for another reason, such as being an employee of yours.
 - 2) If you store, process, transmit or transport records, the individuals whose "personally identifying information" or "personally sensitive information" you are storing, processing, transmitting or transporting for another entity do not qualify as "affected individuals". However, specific individuals may qualify as "affected individuals" for another reason, such as being an employee of yours.
 - 3) You may have operations, interests or properties that are not insured under this policy. Individuals who have a relationship with you through such other operations, interests or properties do not qualify as "affected individuals". However, specific individuals may qualify as "affected individuals" for another reason, such as being an employee of the operation insured under this policy.
 - c. An "affected individual" may reside anywhere in the world.
2. "Data Compromise Defense Costs" means expenses resulting solely from the investigation, defense and appeal of any "data compromise suit" against you. Such expenses must be reasonable and necessary. They will be incurred by us. They do not include your salaries or your loss of earnings. They do include premiums for any appeal bond, attachment bond or similar bond, but without any obligation to apply for or furnish any such bond.
3. "Data Compromise Liability"
 - a. "Data compromise liability" means the following, when they arise from a "data compromise suit":
 - 1) Damages, judgments or settlements to "affected individuals";
 - 2) Defense costs added to that part of any judgment paid by us, when such defense costs are awarded by law or court order; and
 - 3) Pre-judgment interest on that part of any judgment paid by us.
 - b. "Data compromise liability" does not mean:
 - 1) Damages, judgments or settlements to anyone who is not an "affected individual";
 - 2) Civil or criminal fines or penalties imposed by law;
 - 3) Punitive or exemplary damages;

- 4) The multiplied portion of multiplied damages;
- 5) Taxes; or
- 6) Matters which may be deemed uninsurable under the applicable law.

4. "Data Compromise Suit"

a. "Data Compromise Suit" means a civil proceeding in which damages to one or more "affected individuals" arising from a "personal data compromise" or the violation of a governmental statute or regulation are alleged. Such proceeding must be brought in the United States of America, Puerto Rico or Canada. "Data compromise suit" includes:

- 1) An arbitration proceeding in which such damages are claimed and to which you must submit or do submit with our consent;
- 2) Any other alternative dispute resolution proceeding in which such damages are claimed and to which you submit with our consent; or
- 3) A written demand for money, when such demand could reasonably result in a civil proceeding as described in this definition.

b. "Data compromise suit" does not mean any demand or action brought by or on behalf of someone who is:

- 1) Your director or officer;
- 2) Your owner or part-owner; or
- 3) A holder of your securities;

in their capacity as such, whether directly, derivatively, or by class action. "Data compromise suit" will include proceedings brought by such individuals in their capacity as "affected individuals", but only to the extent that the damages claimed are the same as would apply to any other "affected individual".

c. "Data compromise suit" does not mean any demand or action brought by an organization, business, institution, or any other party that is not an "affected individual" or governmental entity. "Data compromise suit" does not mean any demand or action brought on behalf of an organization, business, institution, governmental entity or any other party that is not an "affected individual".

5. "Identity Theft" means the fraudulent use of "personally identifying information". This includes fraudulently using such information to establish credit accounts, secure loans, enter into contracts or

commit crimes.

"Identity theft" does not include the fraudulent use of a business name, d/b/a or any other method of identifying a business activity.

6. "Malware-Related Compromise" means a "personal data compromise" that is caused, enabled or abetted by a virus or other malicious code that, at the time of the "personal data compromise", is named and recognized by the CERT® Coordination Center, McAfee®, Secunia, Symantec or other comparable third party monitors of malicious code activity.

7. "Personal Data Compromise" means the loss, theft, accidental release or accidental publication of "personally identifying information" or "personally sensitive information" as respects one or more "affected individuals". If the loss, theft, accidental release or accidental publication involves "personally identifying information", such loss, theft, accidental release or accidental publication must result in or have the reasonable possibility of resulting in the fraudulent use of such information. This definition is subject to the following provisions:

a. At the time of the loss, theft, accidental release or accidental publication, the "personally identifying information" or "personally sensitive information" need not be at the insured premises but must be in the direct care, custody or control of:

- 1) You; or
- 2) A professional entity with which you have a direct relationship and to which you (or an "affected individual" at your direction) have turned over (directly or via a professional transmission or transportation provider) such information for storage, processing, transmission or transportation of such information.

b. "Personal data compromise" includes disposal or abandonment of "personally identifying information" or "personally sensitive information" without appropriate safeguards such as shredding or destruction, subject to the following provisions:

- 1) The failure to use appropriate safeguards must be accidental and not reckless or deliberate; and
- 2) Such disposal or abandonment must take place during the time period for which this Data Compromise Coverage endorsement is

effective.

- c. "Personal data compromise" includes situations where there is a reasonable cause to suspect that such "personally identifying information" or "personally sensitive information" has been lost, stolen, accidentally released or accidentally published, even if there is no firm proof.
 - d. All incidents of "personal data compromise" that are discovered at the same time or arise from the same cause will be considered one "personal data compromise".
8. "Personally Identifying Information" means information, including health information, that could be used to commit fraud or other illegal activity involving the credit, access to health care or identity of an "affected individual". This includes, but is not limited to, Social Security numbers or account numbers.
- "Personally identifying information" does not mean or include information that is otherwise available to the public, such as names and addresses.
9. "Personally Sensitive Information" means private information specific to an individual the release of which requires notification of "affected individuals" under any applicable law.
- "Personally sensitive information" does not mean or include "personally identifying information".

All other provisions of this policy apply.

BUSINESSOWNERS ACCESS OR DISCLOSURE OF CONFIDENTIAL OR PERSONAL INFORMATION EXCLUSIONS

ADVISORY NOTICE TO POLICYHOLDERS

This Notice does not form part of your policy. No coverage is provided by this Notice nor can it be construed to replace any provision of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided. If there is any conflict between the Policy and this Notice, **THE PROVISIONS OF THE POLICY SHALL PREVAIL.**

Carefully read your policy, including the endorsements attached to your policy.

This Notice provides information concerning the following new and revised endorsements, which applies to your renewal policy being issued by us:

BP 15 05 05 14 – Exclusion – Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability – Limited Bodily Injury Exception Not Included

When this endorsement is attached to your policy:

- With respect to liability for Bodily Injury and Property Damage, coverage is excluded for damages arising out of any access to or disclosure of confidential or personal information. This is a reinforcement of coverage. However, when this endorsement is attached, it will result in a reduction of coverage due to the deletion of an exception with respect to damages because of bodily injury arising out of loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.
- With respect to liability for Personal And Advertising Injury, coverage is excluded for personal and advertising injury arising out of any access to or disclosure of confidential or personal information. To the extent that any access or disclosure of confidential or personal information results in an oral or written publication that violates a person's right of privacy, this may result in a reduction in coverage.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION – ACCESS OR DISCLOSURE OF
CONFIDENTIAL OR PERSONAL INFORMATION AND
DATA-RELATED LIABILITY – LIMITED BODILY INJURY
EXCEPTION NOT INCLUDED**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

- A. Exclusion **B.1.q.** of **Section II – Liability** is replaced by the following:

This insurance does not apply to:

**q. Access Or Disclosure Of Confidential Or
Personal Information And Data-related
Liability**

- (1) Damages, other than damages because of "personal and advertising injury", arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
- (2) Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in Paragraph (1) or (2) above.

As used in this exclusion, electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.

**B. The following is added to Paragraph B.1.p.
Personal And Advertising Injury Exclusion of
Section II – Liability:**

This insurance does not apply to:

p. Personal And Advertising Injury

"Personal and advertising injury":

Arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of any access to or disclosure of any person's or organization's confidential or personal information.