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Cyber Liability

Policy wording



Master Policy UMR: B1740PGL210088000

The **Policyholder**
Name: England & Wales Cricket Board and affiliated member clubs
Principal Address: Lords Cricket Ground, London NW8 8QZ

The **Insurer**
Name: Talbot Underwriting Ltd (Syndicate TA1183 at Lloyds of London)
Principal Address: 60 Threadneedle Street, London, United Kingdom, EC2R 8HP

Limit of Liability: £50,000 any one claim and in the aggregate for each covered club
Sublimit: £10,000 any one claim in respect for E-theft and Crime

This is the maximum amount in the aggregate that the policy will pay including **Defence Costs**, irrespective of the number of **Claims**, **Losses**, **Business Interruption Losses** or **Cyber Event**s giving rise to an indemnity under this policy.

Excess: £250 any one claim but Nil for incident response cost

Save that:-
In respect of cover under Clause 1.2 the **Waiting Period** is 8 hours per **Business Interruption Event**. The **Excess** above will apply to each and every **Business Interruption Event** once the **Waiting Period** has been satisfied.
In respect of cover under Clause 1.3 the **Excess** is NIL

Important Condition - Notification of claims

Claims and any circumstances that could give rise to a claim should notified to insurers on the below number as soon as reasonably practicable and **within 7 (seven) days** after the **Insured** has become aware of such incident

Notifications to be made to: Crawford and Company
Emergency Telephone Number: 0800 376 6216 Reference: 'ECB'

Retroactive Date: 1st February 2021

IMPORTANT CONDITIONS - USE OF FIREWALL, ANTI-VIRUS, BACK UP OF DATA, PCI COMPLIANCE, DATA STORAGE AND PORTABLE MEDIA

As an insured club it is incumbent on you to comply with the following conditions with regard to security

- You will deploy and maintain commercial grade anti-virus and firewall across your network.
- You, or the **Your Cloud Service Provider**, will back-up critical data at least every 7 days. Where such data is copied to portable media, such portable media will be secured off-site.
- Your liability for a **Loss,** suffered by the you under insuring clause 1.4 (**PCI Fines and Assessment Costs),** is conditional on the you being compliant with the relevant Payment Card Industry Data Security Standard in relation to all circumstances leading up to the **Loss**.
- You shall encrypt or tokenise all third party non-public data or information for which the you are legally liable.
- You shall password protect all portable media, including but not limited to smartphones and memory sticks.

If you are unable to comply with these conditions the **Insurer**'s liability under this policy shall be suspended from the time of the breach until the time when the breach is remedied (if it is capable of being remedied). For full details see clause 4.17.

IMPORTANT CONDITIONS - FUNDS TRANSFER FRAUD

It is a condition precedent to liability that you will on receipt of any new or altered payment instructions received for the transfer of money, credit, securities or other funds or property of value (including but not limited to instructions concerning bank account details) authenticate the first transaction using the new or altered payment instructions by:

(i) calling the existing and verified telephone number(s) of the named contact(s) on the file for the Third Party, if the amendments are purported to be from the Third Party;

(ii) calling the existing and verified telephone number held on file or internal telephone register of the employee, partner or director of the Insured if the new or altered payment instructions are purported to come from an employee, partner or director of the Insured; and

(iii) receiving oral confirmation from the named contact(s) on the file of the Third Party, or employee, partner or director of the Insured (as required by (i) or (ii) above) that the new or altered payment instructions the Insured is instructed to use are valid and authentic.

Failure to comply with any condition precedent listed within this policy may result in your claim being rejected

1. INSURANCE COVER

In consideration of the payment of or agreement to pay the premium by the **Policyholder** on behalf of the **Insured**, the **Insurer** will pay, or where specified, reimburse the **Insured**, in excess of the applicable **Excess,** up to the limit of liability/maximum aggregate limit specified in the schedule:

1.1 **Loss** of the **Insured** in respect of any **Claim** first made against the **Insured** and notified to the **Insurer** during the **Period of Insurance**;

1.2 **Business Interruption Loss** resulting from a **Business Interruption Event** commencing on or after the **Retroactive Date** and first discovered and notified by the **Insured** to the **Insurer** during the **Period of Insurance**;

1.3 **Remediation Costs** incurred by the **Insured** following an actual or threatened **Business Interruption Event**, **Data Liability Event** or **Network Security Event** first discovered by the **Insured** and notified to the **Insurer** during the **Period of Insurance**;

1.4 **Loss** of the **Insured** in respect of **PCI Fines and Assessment Costs** caused by a **Data Liability Event** first discovered by the **Insured** and notified to the **Insurer** during the **Period of Insurance**.

FUNDS TRANSFER FRAUD COVER

Inception Date of coverage applicable to **Fund Transfer Fraud** and **Third Party Escrow Theft** cover:	As per policy schedule
Excess each and every **Fund Transfer Fraud** and **Third Party Escrow Theft**:	£250
Maximum aggregate sum the **Insurer** will pay in respect of any and all **Funds Transfer Fraud**(s) and **Third Party Escrow Theft**(s) under the policy:	£10,000

The sub-limit set out above shall be part of and not in addition to the **Limit of Liability** set out in the Schedule.

In consideration of the payment of or agreement to pay the premium by the **Policyholder** on behalf of the **Insured**, the **Insurer** will indemnify the **Insured**, in excess of the applicable **Excess,** and up to the maximum aggregate sum above:

(A) for any loss of funds or assets of the **Insured**, occurring on or after the above **Inception Date** which is validly notified to the **Insurer** during the **Period of Insurance** in compliance with the Policy terms, and which directly results from a **Funds Transfer Fraud**.

(B) for any **Loss** arising from any **Claim** against the **Insured** by any **Third Party** as a direct result of a **Third Party Escrow Theft** occurring on or after the above **Inception Date,** and which is validly notified to the **Insurer** during the **Period of Insurance** in compliance with the policy terms."

2. GENERAL DEFINITIONS

2.1 **Business Interruption Event** means:

(i) a **Cyber Event** that causes any unplanned system outage, network interruption, or degradation of the **Insured**'s network, or the network of any **Cloud Service Provider**; or

ii) a **Reputational Harm Event**.

2.2 **Business Interruption Loss** means the **Insured's** loss of gross profit, plus reasonable expenses necessary to maintain the operation, functionality or service of the **Insured's** business, as a direct result of a **Business Interruption Event,** but only:

(i) in respect of a **Cyber Event,** after the expiration of the **Waiting Period**, and
(ii) until the date on which the **Insured's** business is restored to the same or equivalent trading conditions, functionality and service that existed prior to the loss, however not exceeding 180 days from the date on which the outage, interruption or degradation commenced, such 180 day period not to be limited by the expiration of the **Period of Insurance**;

Business Interruption Loss shall also include costs and expenses incurred to avoid or mitigate the effects of a system outage or network interruption, discover and minimize such interruption or degradation of the network, preserve evidence and/or substantiate the **Insured's** loss.

2.3 **Claim** means any written demand, civil, criminal, judicial, administrative, regulatory or arbitral proceeding against the **Insured** seeking compensation or other legal remedy or penalty as a result of a **Data Liability Event, Media Liability Event**, **Network Security Event** or **Third Party Escrow Theft**.

2.4 **Cloud Service Provider** means any third party with whom the **Insured** has a written contract for the provision of computing services, infrastructure platforms or business applications.

2.5 **Credit Monitoring Costs** means reasonable fees, costs and expenses incurred with the prior written consent of the **Insurer** for the monitoring services of identity or credit theft including the purchase of identity theft insurance for a period of 12 months from the date of any **Data Liability Event**.

2.6 **Cyber Extortion Costs** means the reimbursement of reasonable fees, costs and expenses incurred by the **Insured**, or paid on the **Insured**'s behalf, with the prior written consent of the **Insurer**, such consent not to be unreasonably withheld, to terminate or mitigate any credible threat of a **Business Interruption Event,** Data **Liability Event** or **Network Security Event** resulting from an actual or attempted extortion by a third party.

2.7 **Cyber Event** means:
(i) **Unauthorised Access**;
(ii) **Operator Error**;
(iii) a denial of service attack;
(iv) the introduction of any **Malware** into a network owned or operated by an **Insured**, including the network of any **Cloud Service Provider**.

2.8 **Data Liability Event** means:
(i) the loss or suspected loss of any third party non-public data or information for which the

Insured is legally responsible;

(ii) the breach of any privacy legislation worldwide by the **Insured** or someone for whom the **Insured** is legally responsible;

provided always that such **Data Liability Event** occurs on or after the **Retroactive Date** and notified by the **Insured** during the **Period of Insurance** specified in the Schedule.

2.9 **Data Restoration Costs** means reasonable fees, costs and expenses for the restoration and/or replacement of data and/or programs that have been lost, erased corrupted or encrypted by a **Cyber Event** or **Data Liability Event** and costs to prevent or minimise any further damage and preserve material evidence of civil, criminal or malicious wrongdoings. These costs include the cost of purchasing replacement licenses for programs where necessary.

2.10 **Defence Costs** means reasonable 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**.

2.11 **Excess** means the amount the **Insured** must pay as the first part of each and every claim for indemnity under this policy after application of all other terms and conditions of this Policy.

2.12 **Forensic Costs** means reasonable fees, costs and expenses of the **Insured** to investigate the cause, scope and extent of any **Data Liability Event, Business Interruption Event** or **Network Security Event**.

2.13 **Funds Transfer Fraud** means the commission by any **Third Party** of:

(i) **Unauthorised Access** leading to any unauthorized electronic transfer of the **Insured**'s funds from the **Insured**'s computer system or network;

(ii) theft of money or other financial assets from the **Insured**'s corporate credit cards by electronic means;

(iii) **Unauthorised Access** resulting in any fraudulent manipulation of electronic documentation whilst stored on the **Insured**'s computer system leading to any unauthorised electronic transfer of the **Insured**'s funds; and / or

(iv) any phishing, vishing or other social engineering attack against the **Insured** that results in the unauthorised transfer of the **Insured**'s funds to an unintended **Third Party**

Third Party means any legal entity or natural person who is not an **Insured**.

Third Party Escrow Theft means the occurrence of any theft of money or other financial assets as a result of **Unauthorised Access** which is: (i) committed by electronic, telephonic, facsimile or written means; (ii) from an escrow account held by the **Insured** on behalf of a **Third Party**.

2.14 **Insured** means the **Policyholder,** and any affiliated members clubs

2.15 **Insurer** means Talbot Syndicate #1183.

2.16 **Legal Representation Expenses** means reasonable and necessary fees, costs and expenses incurred to obtain legal advice or representation to protect the **Insured's** interests in connection with a **Data Liability Event** or **Network Security Event**.

Legal Representation Expenses shall include the costs associated with the investigation, adjustment and defence of regulatory proceedings.

2.17 **Loss** means judgments, settlements, awards, and costs, including, without limitation, damages, consumer redress funds, fines, penalties and punitive and exemplary damages in respect of a **Claim** covered under this policy to the extent permitted by law. **Loss** shall also include **Defence Costs** and **Legal Representation Expenses**.

2.18 **Malware** means any code designed to:
(i) erase, deny access to or corrupt data, including but not limited to ransomware;
(ii) damage or disrupt any network or system;
(iii) circumvent any network security product or service.

2.19 **Merchant Services Agreement** means a contractual agreement between the **Insured** and any other organisation which allows the **Insured** to accept payment by credit or debit card.

2.20 **Network Security Event** means:
(i) the transmission of any **Malware** from the **Insured's** network, or from the network of any **Cloud Service Provider**;
(ii) failure to secure the **Insured**'s computer system or network that results in **Unauthorised Access**;
(iii) failure to prevent a denial of service attack launched from the **Insured'**s network or from the network of any **Cloud Service Provider**;
provided always that such **Network Security Event** occurs on or after the **Retroactive Date** and notified to the **Insurer** by the **Insured** during the **Period of Insurance** specified in the Schedule.

2.21 **Notification Costs** means reasonable fees, costs and expenses in respect of notifying any natural person or legal entity whose data or information has been or may have been lost, or the cost of notifying any data protection authority or equivalent, as a result of a **Data Liability Event**.

2.22 **Operator Error** means the accidental erasure, destruction or modification of the **Insured's** data or programs by an employee or a **Cloud Service Provider**.

2.23 **PCI Fines and Assessment Costs** means all amounts that the **Insured** is legally required to pay under a **Merchant Services Agreement** following a **Data Liability Event** that leads to a breach of the Payment Card Industry Data Security Standard, including but not limited to fines, case management fees, non-compliance fees, re-imbursement of fraudulent transactions, and the costs incurred in card re-issuance and the appointment of a PCI Forensic Investigator.

2.24 **Period of Insurance** means the period specified in Item 2 of the Schedule.

2.25 **Policyholder** means the entity named in Item 1 of the Schedule.

2.26 **Public Relations Costs** means reasonable fees, costs and expenses incurred with the prior written consent of the **Insurer**, such consent not to be unreasonably withheld, for obtaining advice and support to protect, or mitigate any damage to, the **Insured's** reputation following a **Reputational Harm Event**.

2.27 **Remediation Costs** means any:
(i) **Credit Monitoring Costs**;
(ii) **Cyber Extortion Costs**;
(iii) **Data Restoration Costs**;
(iv) **Forensic Costs**;
(v) **Legal Representation Expenses**;
(vi) **Notification Costs**; and
(vii) **Public Relations Costs.**

2.28 **Reputational Harm Event** means adverse media, including social media, caused solely by a

Cyber Event or a **Data Liability Event** that directly leads to a **Business Interruption Loss**.

2.29 **Retroactive Date** means the date specified in Item 7 of the Schedule.

2.30 **Unauthorised Access** means use of the **Insured'**s computer system or network infrastructure by any person or persons not authorised to do so, including employees.

2.31 **Waiting Period** means the number of hours stated in Item 4 of the Schedule which must elapse following a **Business Interruption Event** before a **Business Interruption Loss** is agreed to have occurred. The **Waiting Period** will apply to each **Business Interruption Event**. For the avoidance of doubt, once the **Waiting Period** is satisfied only the monetary **Excess** will apply to **Business Interruption Loss**(es).

3. EXCLUSIONS

The **Insurer** shall not be liable to make any payment or provide any benefit or service in respect of any **Claim** or **Loss**:

3.1 for death, bodily injury or loss of or damage to tangible property, however this exclusion shall not apply to mental anguish or mental injury as a result of a **Data Liability Event** or **Network Security Event**. For the avoidance of doubt data held in electronic format is not tangible property.

3.2 arising from, attributable to, or based upon any fact or circumstance known to the **Insured** prior to the inception of the **Period of Insurance**.

3.3 arising from, attributable to or based upon any intentional, criminal or fraudulent acts committed or condoned by any Principal, Partner or Director of the **Insured**.

3.4 arising from any failure, outage, or disruption of power, utility services, satellites, or telecommunications external services not under the direct operational control of the **Insured**.

3.5 arising from any physical act of war, invasion, or warlike operations, civil war, riot, civil commotion, rebellion, revolution, insurrection or civil uprising.

3.6 arising from any bankruptcy, liquidation or insolvency of the **Insured** or any other person, including any **Cloud Service Provider**.

3.7 The **Insurer** shall not be deemed to provide cover and no **Insurer** shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose the **Insurer** to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

3.8 arising from or representing the costs for the upgrading or betterment of any application, system or network of the **Insured**.

3.9 a) brought against a director or officer of the **Insured**, in their capacity as such
b) arising from any obligation owed by the **Insured** as an employer or potential employer to any employee, including claims for wrongful dismissal or under any contract of employment or under any retainer with any consultant or under any

training contract or work experience placement;

c) whether by any employee or not, alleging sexual, racial or other harassment or molestation, or sexual, racial, ethnic, disability, sexual orientation, religious and/or age discrimination or victimisation, or discrimination or victimisation of any other kind.

3.10 a) directly or indirectly, arising out of, or resulting from, asbestos or any actual or alleged asbestos related loss injury or damage involving the use, presence, existence, detection, removal, elimination or avoidance of asbestos or exposure to asbestos;

b) arising from, based upon, attributable to or as a consequence of, whether direct or indirect, or in any way involving:

(i) ionising radiation or contamination by radioactivity or from any nuclear fuel or from any nuclear waste;

ii) the radioactive, toxic, explosive or other hazardous properties of any nuclear assembly or component thereof.

c) arising out of, based upon, attributable to, as a consequence or in any way involving, pollution or directly or indirectly the actual, alleged or threatened discharge, dispersal, release or escape of pollutants;

d) arising from, based upon, attributable to or as a consequence of any electromagnetic field, electromagnetic radiation or electromagnetism, which terms are defined as follows;

i) electromagnetic field means any field of force that is made up of associated electric and magnetic components;

ii) electromagnetic radiation means any succession of electromagnetic waves;

iii) electromagnetism means magnetism that is developed by a current of electricity.

3.11 arising from any fire, lightning, explosion, aircraft, impact or any other natural peril.

3.12 arising from the loss of any portable media by the **Insured**; such media includes, but not limited to laptops, smart phones, tablets and memory sticks that are not protected by password or biometric protection.

3.13 arising out of any violation of anti-Spam or telemarketing legislation worldwide.

3.14 arising out of the electronic transfer of any funds, monies or goods belonging to the **Insured**, or for which the **Insured** is legally liable, except for Fund Transfer Fraud or Third Party Escrow Theft .

3.15 arising from any contractual liability assumed by the **Insured**, unless such liability would have attached in the absence of such contract. This exclusion shall not apply to Insuring Cover 1.4.

3.16 arising out of the misappropriation or infringement of patent or trade secret.

3.17 arising out of the actual or alleged failure to render any professional services.

3.18 Any **Loss** or other financial losses in connection with cryptocurrencies are excluded from cover under the "FUNDS TRANSFER FRAUD" endorsement.

3.19 Any **Loss** arising from any **Claim** against the **Insured** by any **Third Party** as a direct result of a **Third Party Escrow Theft** where the **Third Party Escrow Theft** is perpetrated by an employee, partner or director of the **Insured**."

TERRITORY RESTRICTION ENDORSEMENT

It is hereby understood and agreed that this policy is amended as follows:

Notwithstanding anything to the contrary in this policy, or any appendix or endorsement added to this policy, there shall be no coverage afforded by this policy for any:

i. entity organized or incorporated pursuant to local law of the **Specified Area**, or headquartered in a **Specified Area**;
ii. natural person during the time such natural person is located in a **Specified Area**;
iii. part of a claim, action, suit or proceeding made, brought or maintained in a **Specified Area**; or
iv. loss of, theft of, damage to, loss of use of, encryption of, interruption to the operations or availability of, or destruction of any part of any property (tangible or intangible) located in a **Specified Area**, including, but not limited to, any computer system, data, digital assets, money or securities located in a **Specified Area**.

For purposes of this endorsement, **"Specified Area"** means:

a. The Republic of Belarus; or
b. The Russian Federation (as recognized by the United Nations) or their territories, including territorial waters, or protectorates where they have legal control (legal control shall mean where recognized by the United Nations).

Where there is any conflict between the terms of this endorsement and the terms of the policy, the terms of this endorsement shall apply, subject at all times to the application of any Sanctions clause.

If any provision of this endorsement is or at any time becomes to any extent invalid, illegal or unenforceable under any enactment or rule of law, such provision will, to that extent, be deemed not to form part of this endorsement but the validity, legality and enforceability of the remainder of this endorsement will not be affected.

All other terms, conditions and exclusions remain unchanged.

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AUTHORIZED REPRESENTATIVE

4. GENERAL CONDITIONS

LIMIT OF LIABILITY

4.1 The limit of liability shown in Item 3 of the Schedule is the maximum amount the **Insurer** will pay under this policy, including **Defence Costs**, irrespective of the number of policy claims, in the aggregate for each covered club.

4.2 The **Insurer** may, in its sole discretion, elect to discharge its liability to the **Insured** fully and finally in respect of any **Claim**(s) covered under this policy by either (a) paying the applicable limit of indemnity (less any sums previously paid) to the **Insured** or (b) paying a sum less than the limit of indemnity when the **Claim**(s) can be settled for such a lesser sum.

4.3 If a **Claim** is settled by a payment to a third party and such payment is not 100% insured under this policy, the **Insurer** will be liable for no more than a proportionate share of the **Defence Costs** based on the insured proportion of such payment (and, for the avoidance of doubt, the **Insurer**'s liability is always subject to the limit of liability, inclusive of **Defence Costs**, per clause 4.1 above).

4.4 It is a condition precedent to the **Insurer**'s liability in connection with any phishing, vishing or other social engineering attack against the **Insured** that results in the unauthorised transfer of **Insured**'s funds to an unintended **Third Party** that the **Insured** will, on receipt of any new or altered payment instructions received for the transfer of money, credit, securities or other funds or property of value (including but not limited to instructions concerning bank account details) authenticate the first transaction using the new or altered payment instructions by:

(i) calling the existing and verified telephone number(s) of the named contact(s) on the file for the **Third Party,** if the amendments are purported to be from the **Third Party;**

(ii) calling the existing and verified telephone number held on file or internal telephone register of the employee, partner or director of the **Insured** if the new or altered payment instructions are purported to come from an employee, partner or director of the **Insured**; and

(iii) receiving oral confirmation from the named contact(s) on the file of the **Third Party**, or employee, partner or director of the **Insured** (as required by (i) or (ii) above) that the new or altered payment instructions the **Insured** is instructed to use are valid and authentic.

RELATED CLAIMS

4.4 Any **Claims** or **Losses** under all applicable sections of this policy, directly or indirectly arising out of or in any way connected with the same originating cause or event, will be deemed to be a single claim, reported at the date of the first such claim. Any **Claims** or **Losses** under all applicable sections of this policy, triggering more than one coverage section, will be deemed to be a single claim.

CLAIMS HANDLING AND NOTIFICATION

4.5 It is a condition precedent to the **Insurer**'s liability that the **Insured** complies with each of the provisions of this clause 4.5. If the **Insured** fails to do so, the **Insurer** may (a) reject any claim for an indemnity under this policy; or, at its absolute discretion (b) elect to indemnify the

Insured to the extent the **Insure**r would have been liable to pay in the absence of any prejudice in the handling or settlement of any **Claim** or notifiable circumstance under this policy which arises from the **Insured**'s breach of condition precedent:

4.5.1. The **Insured** shall notify any **Claim**, **Loss**, or **Business Interruption Event** to the agreed incident response provider as detailed in Item 8 of the Schedule, as soon as reasonably practicable, but in no case later than 7 (seven) days after the **Insured** has become aware of such incident. The **Insured** shall provide such information and documentation relating to the **Claim**, **Loss**, or **Business Interruption Event** as the **Insurer** may require in its sole discretion.

4.5.2 The **Insured** may give notice to the **Insurer** during the **Period of Insurance** of circumstances which may reasonably be expected to give rise to a **Claim**, specifying the reasons for anticipating such a **Claim**. If such notice is given, any **Claim** subsequently made against the **Insured** alleging, arising out of or in any way connected with such circumstances shall be deemed to have been made at the time such notice of circumstances was given by the **Insured** to the **Insurer**. The **Insured** shall provide such information and documentation relating to the notification as the **Insurer** may require in its sole discretion.

4.5.3 No **Insured** shall (expressly or impliedly) admit nor assume any liability, make a compromise, enter into any settlement agreement, waive any rights nor consent to any judgment in respect of any **Claim**, **Loss** or notifiable circumstances without the prior written consent of the **Insurer**, such consent not to be unreasonably withheld or delayed.

4.5.4 The **Insured** shall co-operate with the **Insurer**, including but not limited to any counsel, advisor or specialist incident response provider that the **Insurer** shall appoint to investigate any **Claim** or **Business Interruption Event**, and shall provide all such information and documents as the **Insurer** shall require in its sole discretion.

DEFENCE COSTS AND LEGAL REPRESENTATION EXPENSES

4.6 Subject to the **Insured's** compliance with the provisions of paragraph 4.5, the **Limit of Liability** and **Excess** set out in the Schedule to this policy, the **Insurer** agrees to advance **Defence Costs** on an on-going basis and prior to the final disposition of a **Claim**. The **Insured** agrees to refund all such **Defence Costs** should it be found that the **Claim** is not valid.

CHANGE OF CONTROL

4.7 If during the **Period of Insurance** any person, group or entity acquires control of more than 50% of the issued share capital of the **Policyholder** or of the composition of the board of the **Policyholder**, the cover provided by this policy shall be restricted so as to apply only to **Claims** in respect of a **Business Interruption Event**(s), **Data Liability Event**(s) or **Network Security Event**(s) occurring prior to the effective date of such sale, consolidation, merger or acquisition of control, unless the **Insurer** has agreed to extend coverage under the policy and the **Policyholder** has agreed to the terms of any such extension of coverage.

ASSIGNMENT

4.8 This policy and any rights under it cannot be assigned without the prior written consent of the **Insurer**.

CANCELLATION

4.9 The **Policyholder** may cancel this policy at any time by giving written notice to the **Insurer** and such cancellation being effective 10 business days after such notice is received by the **Insurer**. In such case, the **Insurer** shall refund any unearned premium calculated at pro-rata rate of the annual premium, except in the event of a **Claim** as defined having been notified prior to the date of cancellation whereupon no refund shall be due, unless agreed otherwise by the **Insurer**.

This policy may not be cancelled by the **Insurer** except for non-payment of the premium, upon expiry of a period of notice of not less than 21 days.

APPLICABLE LAW

4.10 This agreement and any dispute or claim between the **Insured** and the **Insurer** arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law set out in Item 9 of the Schedule. If any term of this agreement is to any extent invalid, illegal, or incapable of being enforced, such term shall be excluded to the extent of such invalidity, illegality, or unenforceability and all other terms of this agreement shall remain in full force and effect.

ARBITRATION

4.11 All disputes arising out of or in connection with this agreement, or in respect of any legal relationship associated with or derived from this agreement, shall be resolved by arbitration. The seat of the arbitration will be as specified in item 10 of the Schedule.

DUTY OF FAIR PRESENTATION

4.12 Before this insurance contract (or any variation thereto) is entered into, the **Insured** must make a fair presentation of the risk to the **Insurer** in any application, proposal form or other information submitted to the **Insurer**. This means the **Insured** must:

- 4.12.1 disclose to the **Insurer** (i) every material circumstance which the **Insured** knows or ought to know or (ii) sufficient information to put a prudent insurer on notice that it needs to make further enquiries in order to reveal material circumstances. A matter is material if it would influence the judgement of a prudent insurer as to whether to accept the risk, or the terms of the insurance (including premium); and
- 4.12.2 make the disclosure in clause 4.12.1 above in a reasonably clear and accessible way; and
- 4.12.3 ensure that every material representation of fact is substantially correct, and that every material representation of expectation or belief is made in good faith.

4.13 If the **Insured** fails to comply with clause 4.12, the **Insurer** has the following remedies:

- 4.13.1 If the **Insured**'s breach of the duty of fair presentation is deliberate or reckless, then (i) the Insurer may avoid the policy, and refuse to pay all claims; and (ii) the Insurer need not return any of the premiums paid.
- 4.13.2 If the **Insured**'s breach of the duty of fair presentation is not deliberate or reckless, then the Insurer's remedy will depend on what the Insurer would have done if the Insured had complied with the duty of fair presentation:
  - 4.13.2.1 If the Insurer would not have entered into the contract at all, the Insurer may avoid the contract and refuse all claims, but must return the premiums paid.

4.13.2.2 If the Insurer would have entered into the contract, but on different terms (other than terms relating to the premium), the contract is to be treated as if it had been entered into on those different terms from the outset, if the Insurer so requires.

4.13.2.3 If the Insurer would have entered into the contract, but would have charged a higher premium, the Insurer may reduce proportionately the amount to be paid on a claim (and, if applicable, the amount already paid on prior claims).

INDEMNITY AND SETTLEMENT

4.14 The Insurer has the right but not the duty to assume control, defence and settlement of any **Claim** or investigation. At any stage of a **Claim** the **Insurer** may choose to pay the **Limit of Liability** or any amount that remains following any earlier payment(s).

4.15 The **Insurer** shall have the right to make an investigation it deems necessary including, without limitation, any investigation with respect to the Application and statements made in connection with the procurement of the policy and with respect to coverage.

4.16 With respect to any **Claim**, if the **Insured** refuses to consent to a settlement the **Insurer** recommends and the claimant will accept, the **Insured** may continue the defense and investigation of that **Claim**. However, the further costs and expenses incurred will be paid by the **Insured** and the **Insurer** on a proportional basis, with 25% payable by the **Insurer** and 75% payable by the **Insured**.

WARRANTIES - USE OF FIREWALL, ANTI-VIRUS, BACK UP OF DATA, PCI COMPLIANCE, DATA STORAGE AND PORTABLE MEDIA

4.17 The **Insured** warrants as follows:

4.17.1 The **Insured** will deploy and maintain commercial grade anti-virus and firewall across the **Insured's** network.

4.17.2 The **Insured,** or the **Insured's Cloud Service Provider**, will back-up critical data at least every 7 days. Where such data is copied to portable media, such portable media will be secured off-site.

4.17.3 The **Insurer's** liability for a **Loss,** suffered by the **Insured** under insuring clause 1.4 (**PCI Fines and Assessment Costs),** is conditional on the **Insured** being compliant with the relevant Payment Card Industry Data Security Standard in relation to all circumstances leading up to the **Loss**.

4.17.4 The **Insured** shall encrypt or tokenise all third party non-public data or information for which the **Insured** is legally liable.

4.17.5 The **Insured** shall password protect all portable media, including but not limited to smartphones and memory sticks.

4.18 If the **Insured** breaches any warranty under clause 4.17, the **Insurer**'s liability under this policy shall be suspended from the time of the breach until the time when the breach is remedied (if it is capable of being remedied). The **Insurer** will have no liability to the **Insured** for any loss which occurs, or which is attributable to something happening, during the period when the **Insurer**'s liability is suspended. If the **Insured's** breach of warranty leads to prejudice to the **Insurer**, the **Insurer** may at its absolute discretion elect instead to indemnify the **Insured** to the extent the **Insurer** would have been liable to pay in the absence of such prejudice, notwithstanding any suspension of cover.

SUBROGATION

4.19 If the **Insurer** makes any payment under this Policy and there is available to the **Insurer** any of the **Insured's** rights of recovery against any third party, then the **Insurer** shall maintain all such rights of recovery. The **Insured** shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. This includes, but is not limited to, placing any third party on notice of any rights the **Insured** or the **Insurer** may have against it. The **Insured** shall do nothing to prejudice such rights. Any recoveries shall be first applied to subrogation expenses, second to any amounts paid or reimbursed by the **Insurer** under the Policy, and third to the **Retention** set out in Item 4. Any additional amounts shall be paid to the **Insured**.

COMPLAINTS NOTICE

Complaints Handling Arrangements

Any complaint should be addressed in the first instance to Talbot Underwriting Limited, 60 Threadneedle Street, London, United Kingdom, EC2R 8HP, + 44 (0) 20 7550 3500, complaints@talbotuw.com.

Talbot Underwriting Limited, will aim to provide you with its decision on your complaint, in writing, within eight weeks of the receipt of the complaint.

In the event that you remain dissatisfied and wish to make a complaint, you can do so at any time by referring the matter to Talbot Underwriting Ltd (complaints@talbotuw.com or the Complaints team at Lloyd's).

The address of the Complaints team at Lloyd's is:

Complaints

Lloyd's

One Lime Street

London EC3M 7HA

Tel No: 020 7327 5693

Fax No: 020 7327 5225

E-mail: complaints@lloyds.com

Website: www.lloyds.com/complaints

Details of Lloyd's complaints procedures are set out in a leaflet "Your Complaint - How We Can Help" available at www.lloyds.com/complaints and are also available from the above address.

If you remain dissatisfied after Lloyd's has considered your complaint, you may have the right to refer your complaint to the Financial Ombudsman Service.

The Financial Ombudsman Service is an independent service in the UK for settling disputes between consumers and businesses providing financial services. You can find more information on the Financial Ombudsman Service at www.financial-ombudsman.org.uk.

NOTICE CONCERNING PERSONAL INFORMATION

Personal information

Your insurance cover includes cover for individuals who are either insureds or beneficiaries under the policy (individual insureds). We (the Lloyd's underwriter(s) identified in the contract of insurance), being Talbot Underwriting Limited, and other insurance market participants collect and use relevant information about individual insureds to provide you with your insurance cover and to meet our legal obligations.

This information includes individual insured's details such as their name, address and contact details and any other information that we collect about them in connection with your insurance cover. This information may include more sensitive details such as information about their health and criminal convictions.

We will process individual insureds' details, as well as any other personal information you provide to us in respect of your insurance cover, in accordance with our privacy notice(s) and applicable data protection laws.

Information notices

To enable us to use individual insureds' details in accordance with applicable data protection laws, we need you to provide those individuals with certain information about how we will use their details in connection with your insurance cover.
You agree to provide to each individual insured our short form information notice, which we have provided to you in connection with your insurance cover, on or before the date that the individual becomes an individual insured under your insurance cover or, if earlier, the date that you first provide information about the individual to us.

Minimisation and notification

We are committed to using only the personal information we need to provide you with your insurance cover. To help us achieve this, you should only provide to us information aboutindividual insureds that we ask for from time to time.
You must promptly notify us if an individual insured contacts you about how we use their personal details in relation to your insurance cover so that we can deal with their queries.
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