

# FailSafe®

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## Declarations Page

Hartford Fire Insurance Company  
One Hartford Plaza, Hartford, CT 06155  
A stock insurance company, herein called the Insurer

**THIS POLICY CONTAINS CLAIMS MADE COVERAGE, WHICH MEANS THAT CLAIMS MUST BE FIRST MADE DURING THE POLICY PERIOD. ALSO, COVERED CLAIM EXPENSES PAYABLE UNDER THE POLICY REDUCE AND MAY COMPLETELY EXHAUST THE LIMITS OF LIABILITY. PLEASE READ THE POLICY CAREFULLY AND DISCUSS IT WITH YOUR AGENT OR BROKER.**

Policy Number 42 SBA AY5LCJ

1. **Named Insured** Snailworks,LLC  
Address 3 N COURT ST STE 2A,  
FREDERICK, MD, 21701-5158
2. **Policy Period** Start Date 07/01/2024 End Date 07/01/2025  
at 12:01 a.m. standard time at the address shown in item 1 above
3. **Retroactive Date** 07/01/2023  
If the space above is left blank, coverage does not apply to any **wrongful act** committed before the Start Date stated in item 2 above.
4. **Limits of Liability**

Each <b>Wrongful Act</b> Limit	\$2,000,000
Aggregate Limit	\$2,000,000
5. **Retention Each Wrongful Act** \$5,000
6. **Premium** \$6,183
7. **Forms and Endorsements:** This Declarations page, the policy and endorsements listed below and all changes later added to the policy by **us** in written endorsements constitute the entire insurance policy:

FS 00 H137 00 1016	FS 00 H026 00 1016	FS 00 H008 00 1016	FS 00 G607 00 1016
HR 19 H001 02 0712	FS 00 G003 00 1016	FS 00 H902 00 0919	FS 00 H357 00 1016
FS 00 G007 00 1016	FS 19 H004 00 1016	FS 00 G608 00 1016	FS 00 H333 00 1016
FS 00 H033 00 0918	RN 45 U001 00 0806	FS 00 H362 00 1016	HG 00 H129 00 1016

FS 00 G606 00 1016  
FS 00 H342 00 1016  
FS 00 G002 00 1016  
FS 00 H141 00 1016

8. Producer Name   ALERA GROUP INC  
Address            10010 COLESVILLE ROAD SUITE A  
                      SILVER SPRING, MD 20901

*Susan F. Castaneda*

05/22/2024

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Countersignature  
Authorized Representative

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Date

## Section I – Coverage

### A. Insuring Agreement

**We** will pay on **your** behalf money in excess of the Retention that **you** become legally required to pay as **damages** and **claim expenses** because of a **claim** caused by a(n):

*Professional Liability*

1. **professional services wrongful act**;

*Data Privacy and Network Security Liability*

2. **data privacy wrongful act**, including the actual or alleged failure to comply with **your** written and publicly available policies, procedures, and standards for the collection, use and disclosure of **nonpublic personal information**;
3. actual or alleged failure to provide any required notices in connection with any part of a **data privacy wrongful act**; or
4. **network wrongful act**.

### B. Defense

1. For all covered **claims** made in the United States of America, its territories and possessions, Puerto Rico or Canada, **we** have the right and duty to defend **you**. **We** have the right to appoint counsel. **We** may investigate any **claim** as **we** deem appropriate.
2. For all covered **claims** made outside the United States of America, its territories and possessions, Puerto Rico or Canada, **we** have the right but not the duty to defend **you**, appoint counsel and investigate. If **we** choose not to defend, appoint counsel and investigate such a **claim**, the **first named insured** under **our** supervision will arrange for investigation and defense of the **claim** as reasonably appropriate. Subject to the Limits of Liability, **we** will reimburse the **first named insured** for paying **damages** or **claim expenses** for covered **claims**.
3. The following terms apply to all covered **claims**, wherever they are made:

- a. **You** will not settle any **claim** without **our** prior written consent, even if the **claim** is less than the amount of the Retention. **We** have the right to settle all **claims**, wherever made, unless **we** receive a written objection from the **first named insured** before **we** agree to a settlement. The **first named insured** will be notified before **we** agree to a settlement. If the **first named insured** objects to a settlement recommended by **us** and acceptable to the claimant, then **our** duty to pay will be limited to:

- (1) the amount of **damages** for which the **claim** could have been settled; plus
- (2) all **claim expenses** incurred and paid or payable by **us** or the **first named insured** at the time **we** made **our** recommendation; plus
- (3) fifty percent (50%) of all covered **damages** and **claim expenses** incurred and paid or payable by **us** or the **first named insured** after the time **we** made **our** recommendation.

If the total of these amounts falls within **your** Retention, **we** will have no duty to pay **damages** and **claim expenses** on that **claim**.

In no event will **we** be obligated to pay more than the remaining applicable Limit of Liability determined under Section V – Limits of Liability and Retention.

In **claims** where the **first named insured** has objected to a settlement recommended by **us**, **we** have the right to stop defending and paying **claim expenses** upon tendering control of the defense to **you**.

- b. **We** have the right to exercise all of **your** rights in choosing arbitrators and in conducting all arbitrations.
- c. **Our** right and duty to defend **claims** and to pay or reimburse for **claim expenses** will end when **we** have used up the applicable Limit of Liability by paying **damages** and/or **claim expenses**.

4. At **our** discretion, and with **your** consent, **we** may pay early intervention costs incurred to investigate a **wrongful act** reported to **us** that may result in a **claim**. Such costs may be paid during the time between when such **wrongful act** is reported and the time a **claim** is made to **us**, per Section VII – Conditions, Duties in the Event of a Wrongful Act or Claim, and will reduce the Limits of Liability. Should such early intervention costs be incurred for what becomes an actual **claim**, such intervention costs will be deemed **claims expenses**, and therefore, subject to **your** Retention obligation.

### C. When We Insure

This policy applies to a **wrongful act** only if all the terms in 1 through 3 below are met:

1. the **wrongful act** was committed on or after the applicable Retroactive Date shown in the Declarations and before the end of the **policy period**;
2. before the Start Date of this policy shown in the Declarations, no **specified insured** knew of or should have reasonably known of:
  - a. a **wrongful act**; or
  - b. any fact(s) or circumstance(s)  
which could reasonably be expected to result in a **claim**; and
3. the **claim** because of the **wrongful act** is:
  - a. first made against any of **you** during the **policy period**; and
  - b. reported to **us** in writing by **you** using **your** best efforts to notify **us** as soon as practicable after any **specified insured** becomes aware of it.

All **claims** arising from the same **wrongful act** are considered to be one **claim**.

A **claim** is deemed first made when the earliest of the following occurs:

any of **you** receive written notice of such **claim**; or

subject to the Section VII – Conditions, Duties in the Event of Wrongful Act or Claim, **we** receive from **you** or **your** agent written notice of the **wrongful act**, which later results in a **claim**.

A **claim** is deemed reported to **us** when **we** first receive it in writing.

## Section II – Definitions

- **actual income loss** means the net profit before taxes that **you** would have earned or incurred during the **period of restoration** had there not been a **network outage**. **Actual income loss** will be calculated on an hourly basis and limited to the **period of restoration**.
- **business interruption loss** means the sum of **actual income loss** and **extra expense** resulting from a **network outage**.  
**business interruption loss** does not include any:
  1. contractual liability or the value of, or associated with, any cancelled contract, including but not limited to any sums due pursuant to a contractual provision for liquidated damages, agreed penalties, or similar remedy;
  2. costs or expenses incurred to update, replace, restore, or improve the **computer system**;
  3. costs or expenses incurred to identify or remediate vulnerabilities or errors in the **computer system**;
  4. **damages**;
  5. **claim expenses**;
  6. other **first party expenses**; or
  7. amounts that are uninsurable pursuant to applicable law.

- **claim** means a written demand received by any of **you** for **damages** or Injunctive relief. This includes a suit, arbitration or other type of alternative dispute resolution proceeding against any of **you**. It also includes a request to toll or waive the running of the statute of limitations. It does not include a request by **you** for reimbursement of **first party expenses**, nor does it include a **data privacy regulation proceeding**.
- **claim expenses** means reasonable expenses incurred by **us** or by **you** with **our** prior written consent investigating and defending a **claim**.
  1. **claim expenses** also include:
    - a. the cost of bonds to release attachments, but only for bond amounts within the remaining applicable Limit of Liability. **We** do not have to furnish these bonds;
    - b. costs taxed against **you** in the suit. However, these payments do not include attorney's fees or attorney's expense taxed against **you**;
    - c. interest on the full amount of any judgment that accrues before or after entry of the judgment and before **we** have paid, offered to pay or deposited in court the part of the judgment that is within the remaining applicable Limit of Liability; and
    - d. actual loss of earnings up to \$1,000 per day for each of **you** that **you** personally incur because of time off from work at **our** request to help **us** investigate or defend a **claim**.
  2. **claim expenses** do not include any **first party expenses** or any of **your** overhead expenses or any salaries, wages, fees, or benefits of any **you**.
- **computer system(s)** means the following, if leased or owned by the **named insured**, or operated by a **third party service provider**: computers, input and output devices, network devices and equipment, peripheral devices, storage devices, back-up facilities, mobile devices, and associated computer programs, software and applications, including cloud-based computer programs, software and applications.
- **contract worker agreement** means a signed agreement between the **named insured** and an individual person who is an agent or independent contractor when the agreement provides that:
  1. the agent or independent contractor will provide specific **enterprise services** on behalf of the **named insured**;
  2. the **named insured** will indemnify the agent or independent contractor for those **enterprise services**; and
  3. the agreement is made before any **wrongful act** that may give rise to a **claim**.
- **crisis management expenses** means reasonable and necessary fees and expenses:
  1. charged by a **crisis management firm** in the performance of **crisis management services**; and
  2. for printing, advertising, mailing of materials, or travel by an **executive officer**, partner, owner, employee, agent of the **named insured**, or the **crisis management firm** as a direct response to a **data privacy wrongful act**.

**crisis management expenses** do not include any of **your** overhead expenses or any salaries, wages, fees, or benefits of any **you**, nor do they include any amounts that are uninsurable pursuant to applicable law.
- **crisis management firm** means any public relations or law firm hired or appointed by **us** or by **you** to perform **crisis management services** in connection with a **data privacy wrongful act**.
- **crisis management services** means those services performed by a **crisis management firm** to minimize potential harm to the **named insured** arising from a **data privacy wrongful act**, including:
  1. maintaining and restoring public confidence in the **named insured**;
  2. providing advice to the **named insured** in connection with such **data privacy wrongful act**;
  3. determining the **named insured's** legal obligations under **data privacy laws**;

4. providing necessary legal services to the **named insured** in responding to a **data privacy wrongful act**; and
5. communicating prior to a **claim** or **data privacy regulatory proceeding** with regulators, consumers, and clients regarding a **data privacy wrongful act**.

- **cyber extortion expenses** means those reasonable and necessary expenses incurred by the **named insured** as a result of a **cyber extortion threat** including **cyber extortion payments**.

**cyber extortion expenses** do not include any of **your** overhead expenses or any salaries, wages, fees, or benefits of any **you**, nor do they include any amounts that are uninsurable pursuant to applicable law.

- **cyber extortion payments** means necessary monetary amounts paid by the **named insured** to a party who is not insured under this policy and whom the **named insured** believes to be responsible for the **cyber extortion threat**.

- **cyber extortion threat** means any credible threat by a person or organization against the **named insured** to:

1. cause a **network intrusion**;
2. alter, damage, encrypt, render inaccessible, or continue to render inaccessible any computer program, software or electronic data that is stored within the **computer system**;
3. release, disseminate, destroy, or use **nonpublic personal information** obtained from the **computer system** through a **network intrusion**; or
4. release, disseminate, destroy, or use **third party corporate confidential information**.

The foregoing notwithstanding, any such threat will not constitute a **cyber extortion threat** unless, prior to the surrendering of property or other consideration as payment by or on behalf of the **named insured**, the **named insured** conducts a reasonable investigation and determines that such threat is technologically credible.

All **cyber extortion threats** that are logically or causally connected by common facts, circumstances, situations, events, transactions and/or decisions are considered one **cyber extortion threat** occurring on the earliest date such **cyber extortion threat** was first made.

- **cyber investigation expenses** means those reasonable and necessary expenses incurred by the **named insured** to:

1. conduct an investigation of the **computer system** by a third party to determine the source or cause of a **data privacy wrongful act** or **network intrusion**; and
2. retain the services of a PCI Forensic Investigator to comply with the terms of the **named insured's payment card agreement**.

**cyber investigation expenses** do not include any of **your** overhead expenses or any salaries, wages, fees, or benefits of any **you**, nor do they include any amounts that are uninsurable pursuant to applicable law.

- **damages** means a money award, judgment or settlement that **you** become legally required to pay, including punitive, exemplary and multiplied damages where insurable by law.

**damages** do not include:

1. any kind of: refund, rebate, redemption coupon, offset, return or credit that has been paid to or by any of **you**, or that is owed to or by any of **you**; examples include but are not limited to any of the following: any licensing fee or other fee, royalty, subscription or access charge, or other charge;
2. disgorgement of profits or any money or credits that represent any gain, profit or advantage to which any of **you** are not legally entitled;
3. **your** cost to comply with any non-money or injunctive relief;
4. cost or expense to recall, upgrade, replace, repair, correct, complete or re-perform **enterprise services**, in whole or part, by:
  - a. any of **you**; or

- b. another party if any of **you** had the opportunity to recall, upgrade, replace, repair, correct, complete or re-perform **enterprise services**;
- 5. any criminal: fine or penalty;
- 6. any payment any of **you** make without **our** prior written consent;
- 7. the purchase or contract price for **your enterprise services**; or
- 8. any **first party expenses** or any of **your** overhead expenses or any salaries, wages, fees, or benefits of any **you**.

In accordance with the foregoing, insurable punitive, exemplary and multiplied damages will be covered based upon the law of the most favorable of the following jurisdictions to **you**:

- a. where the punitive, exemplary or multiplied damages are imposed or awarded;
- b. where the **claim** resulting in punitive, exemplary, or multiplied damages occurred;
- c. where the **wrongful act** giving rise to a **claim** that resulted in punitive, exemplary, or multiplied damages occurred;
- d. where the **named insured** against whom punitive, exemplary, or multiplied damages are imposed or awarded is incorporated, resides or has their principal place of business; or
- e. where **we** are incorporated or have **our** principal place of business.

■ **data privacy laws** means any local, state, federal or foreign laws, statutes and regulations governing the collection, control, confidentiality, sharing, or use of **nonpublic personal information**. **Data privacy laws** include but are not limited to:

- 1. Health Insurance Portability and Accountability Act of 1996 (Public Law 104-191) (HIPAA);
- 2. Health Insurance Technology for Economic and Clinical Health Act of 2009 (HITECH);
- 3. Gramm-Leach-Bliley Act of 1999, also known as, the Financial Services Modernization Act of 1999;
- 4. The Family Educational Rights and Privacy Act ("FERPA");
- 5. Children's Online Privacy Protection Act of 1998 ("COPPA");
- 6. Section 5(a) of the Federal Trade Commission Act but solely for alleged unfair and deceptive acts or practices resulting in a **data privacy wrongful act** or **network wrongful act**; or
- 7. State privacy protection and breach notification laws, including but not limited to the California Database Protection and breach notification laws, including but not limited to the California Database Protection Act of 2003 (Cal. SB 1386) and California A.B. 1950.

■ **data privacy regulatory expenses** means:

- 1. reasonable and necessary legal fees and expenses incurred by the **named insured** in the defense of a **data privacy regulation proceeding**;
- 2. fines or penalties assessed in connection with a **data privacy regulation proceeding**; and
- 3. amounts which the **named insured** is legally obligated to deposit in a fund as equitable relief, including consumer redress funds, due to a settlement or adverse judgment in a **data privacy regulation proceeding**.

**data privacy regulatory expenses** do not include any of **your** overhead expenses or any salaries, wages, fees, or benefits of any **you**, nor do they include any amounts that are uninsurable pursuant to applicable law.

■ **data privacy regulation proceeding** means a civil, administrative or regulatory proceeding against, or a civil investigation of, a **named insured** by a governmental agency commenced by an investigative demand or similar request for information or by a complaint or similar pleading, alleging violation of any **data privacy law** as a result of a **data privacy wrongful act** or a **network wrongful act**.

■ **data privacy wrongful act** means any act, error or omission by **you** or a **rogue employee** that results in:

1. the improper collection, control, disclosure or use of **nonpublic personal information**;
2. a violation by the **named insured** of a **data privacy law**; or
3. the improper disclosure or use of **third party corporate confidential information**.

- **data restoration expenses** means the actual, reasonable, and necessary expenses incurred by **you** to restore, replace or recover a computer program, software, application or other electronic data that is altered, destroyed, stolen, impaired or erased as a result of a **network intrusion**.

If **you** determine that such computer program, software, application or other electronic data cannot be reasonably restored, replaced or recovered, then **data restoration expenses** means only the reasonable and necessary costs incurred by **you** to reach this determination.

**data restoration expenses** do not include costs or expenses incurred to:

1. identify or remediate any errors or vulnerabilities or to update, restore, replace, upgrade, maintain, or improve any **computer system**;
2. duplicate the research that led to the development of the **named insured's** computer program, software, application, other electronic data or any proprietary or confidential information or intellectual property; or
3. develop or purchase any computer program, software, application or other electronic data.

Nor do **data restoration expenses** include:

- a. the economic or market value of any **computer system**, computer program, software, application or other electronic data;
- b. any amounts that are uninsurable pursuant to applicable law; or
- c. any of **your** overhead expenses or any salaries, wages, fees, or benefits of any **you**.

- **denial of service attack** means a malicious attempt by a third party to restrict or prevent access to the internet, or computer program, software or application within the **computer system**.
- **enterprise services** means the tangible and intangible work product and services **you** provide to others for a fee or other remuneration. **Enterprise services** include, but are not limited to, **technology services**. **Enterprise services** expressly do not include any violations of law, rule or regulations related to one's status as, or any performance or failure to perform services as an accountant, architect, civil or structural engineer, dental or medical health care professional, insurance agent or broker, lawyer, mortgage broker or banker, real estate agent or broker, or surveyor.
- **executive officer** means a director or officer in a position created by **your** charter, constitution, by-laws or any other similar governing document.
- **extra expense** means actual, reasonable and necessary expenses incurred by **you** to reduce, minimize, or stop a **network outage**, but only to the extent such expenses are in excess of the **your** normal operating expenses, including but not limited to, any of **your** overhead expenses or any salaries, wages, fees, or benefits of any of **you**.
- **first named insured** means the **named insured** first listed in item 1 of the Declarations.
- **first party expenses** means the following expenses incurred by the **named insured**:
  1. **business interruption loss**;
  2. **crisis management expenses**;
  3. **cyber extortion expenses**;
  4. **cyber investigation expenses**;
  5. **data privacy regulatory expenses**;
  6. **data restoration expenses**;
  7. **notification and identity protection expenses**; and
  8. **pci expenses**.

- **Interrelated wrongful act** means multiple **wrongful acts** that are logically or causally connected by common facts, circumstances, situations, events, transactions and/or decisions. **Interrelated wrongful acts** that occur before the end of the last technology errors and omissions/liability policy issued by an insurance company member of The Hartford are considered one **wrongful act** occurring on the date the earliest such **wrongful act** is committed. An **interrelated wrongful act** is subject to the Each **Wrongful Act** Limit.
- **named insured** means:

  1. the persons or entities listed in item 1 of the Declarations; and
  2. any **subsidiary**.
- **network intrusion** means the gaining of access to or use of the **computer system** by an unauthorized person, or by an authorized person in an unauthorized manner, including but not limited to the transmission of malicious code to or participation in a **denial of service attack** against computer systems that are not owned, operated or controlled by **you**.

All **network intrusions** that are logically or causally connected by common facts, circumstances, situations, events, transactions and/or decisions are considered one **network intrusion** occurring on the earliest date such **network intrusion** first occurred.
- **network outage** means the actual and measurable failure, interruption, degradation, suspension or delay in service or the failure of the **computer system** directly resulting from a **network intrusion** or a **denial of service attack**.

All **network outages** that are logically or causally connected by common facts, circumstances, situations, events, transactions and/or decisions are considered one **network outage** occurring on the earliest date such **network outage** first occurred.
- **network wrongful act** means any act, error or omission by **you**, a **rogue employee**, or a **third party service provider**, which results in a **network intrusion**.
- **nonpublic personal information** means:

  1. a natural person's name; address; unpublished telephone number; social security number; driver's license or state identification number; credit, debit or other financial account number; medical information; education records; username; passwords or personal identification numbers; website cookies; geolocation data; or any other information that would allow access to the natural person's financial or medical account; or
  2. any other information of a natural person that is designated as private or confidential by any local, state, federal or foreign laws, statutes or regulations.

Notwithstanding the foregoing, nonpublic personal information does not include information that is lawfully available to the general public.
- **notification and identity protection expenses** means reasonable and necessary expenses incurred by **you** to:

  1. notify individuals, customers or clients of a **data privacy wrongful act** in compliance with a **data privacy law**;
  2. voluntarily notify individuals, customers and clients of a **data privacy wrongful act**;
  3. establish call center services to answer calls following notification of a **data privacy wrongful act**; and
  4. provide credit monitoring; identity monitoring; medical identity monitoring; account monitoring; fraud detection and alerts; identity theft insurance; and identity protection or restoration services to individuals in response to a **data privacy wrongful act**.

**notification and identity protection expenses** do not include any of **your** overhead expenses or any salaries, wages, fees, or benefits of any **you**, nor do they include any amounts that are uninsurable pursuant to applicable law.

- **payment card agreement** means a contract between **you** and a financial institution, payment card company, payment card processor, or merchant that establishes the terms and conditions for accepting and processing payment cards.
- **pci expenses** means the monetary fines, expenses, assessments, or fraud reimbursements that **you** are legally obligated to pay or incur under the terms of a **payment card agreement** as a result of a **data privacy wrongful act** or a **network wrongful act**.  
**pci expenses** do not include: any of **your** overhead expenses or any salaries, wages, fees, or benefits of any **you**; any charge backs, interchange fees, service charges, cost or expenses for system improvements, or any other costs or expenses related thereto; or any amounts that are uninsurable pursuant to applicable law.
- **period of restoration** means the period of time that begins with the date and time of the **network outage** after application of the waiting period set forth on the Declarations and ends on the date and time the **computer system** is or could have been restored to substantially the level of operation that had existed prior to the **network outage**. The foregoing notwithstanding, in no event shall the **period of restoration** exceed the number of days set forth in the Declarations.
- **personal injury** means:
  1. any form of defamation or disparagement causing harm to the character, reputation or feelings of any person, entity, product or service, including but not limited to libel, slander, product or service disparagement, trade libel, infliction of emotional distress, outrage or outrageous conduct;
  2. any form of invasion, infringement or interference with rights of publicity or privacy, including but not limited to false light, public disclosure of private facts, intrusion and commercial appropriation of name or likeness;
  3. wrongful entry or eviction, trespass, eavesdropping or other invasion of the right of private occupancy; and
  4. malicious prosecution or false: arrest, detention or imprisonment.
- **policy period** means the time beginning with the Start Date shown in the Declarations and ending with the earlier of:
  1. the date of termination or cancellation; or
  2. the End Date shown in the Declarations.
- **pollutants** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, odors, noise, lead, oil or oil product, radiation, and waste. Waste includes materials to be recycled, reconditioned or reclaimed. **Pollutants** also means any substance located anywhere in the world identified on a list of hazardous substances issued by any federal agency (including, nonexclusively, the Environmental Protection Agency) or any state, county, municipality or locality or counterpart thereof, or any foreign equivalent thereof.
- **professional services wrongful act** means the following when actually or allegedly committed by **you**, a **rogue employee**, or on **your** behalf:
  1. an error, unintentional omission, or negligent act in **your** performance of **enterprise services**;
  2. a breach of warranties or representations about the fitness, quality, suitability, performance or use of **your enterprise services**;
  3. the failure of **your enterprise services** to perform the function or serve the purpose intended; and
  4. a **security wrongful act** in **your** performance of **enterprise services**.
- **rogue employee** means any past or present employee of any **named insured** who acts or acted outside the scope of his or her employment to intentionally cause a **wrongful act**. **Rogue Employee** does not include any **specified insured**.
- **security wrongful act**:
  1. failure to prevent:
    - a. denial of service;
    - b. disruption of service;

- c. unauthorized access to, unauthorized use of, repudiation of access to, tampering with or introduction of malicious code into: firmware, data, software, systems or networks;
  - d. identity theft or disclosure of **nonpublic personal information**; or
  - e. disclosure of **third party corporate confidential information**; and
2. the improper collection, control, or use of **nonpublic personal information**.

■ **specified insured** means:

- 1. any **named insured** including the spouse and/or domestic partner of a **named insured** that is an individual;
- 2. any past or present partner, **executive officer**, or any individual in an equivalent position of a **named insured**, including but not limited to individuals that hold management positions similar to an **executive officer** for any **named insured** that does not have a charter, constitution, by-laws or any other similar governing document;
- 3. any individual responsible for the insurance, legal, or financial matters of the **named insured** including but not limited to General Counsel, Risk Manager, or Insurance Manager of the **named insured**;
- 4. any member of the **named insured** that could be afforded coverage under this policy; or
- 5. the executors, administrators or legal representatives of 1, 2, 3, or 4 listed above in the event of a death, incapacitation or bankruptcy of 1, 2, 3 or 4 listed above; but this only applies while performing their duties as such.

**specified insured** does not include any **rogue employee**.

■ **subsidiary** means any corporation of which the **first named insured** owns, directly or indirectly, more than fifty percent (50%) of the issued and outstanding voting stock. The stock must be owned by the **first named insured** on the Start Date shown in the Declarations of this policy.

- 1. **Subsidiary** also includes any corporation which becomes a **subsidiary** during the **policy period**, provided that as soon as practical, but no later than within ninety (90) days of its becoming a **subsidiary**, you have:
  - a. provided **us** with full details of the new **subsidiary** including a completed and signed **subsidiary** application and any other underwriting information **we** may require;
  - b. agreed to and paid any additional premium related to the **subsidiary**; and
  - c. agreed to any change in the terms and conditions of this policy required by **us** relating to the new **subsidiary**.
- 2. This policy does not apply to any **claim** or **first party expense** arising from or involving a **subsidiary** for any **wrongful act**, **cyber extortion threat**, **network intrusion**, or **network outage** that was committed when the **first named insured** did not own directly or indirectly more than fifty percent (50%) of the issued and outstanding voting stock of the **subsidiary**.

■ **technology services** means the following services performed for others for a fee or remuneration:

- 1. consulting, analysis, design, installation, training, maintenance, support and repair of or on: software, wireless applications, firmware, shareware, networks, systems, hardware, devices or components;
- 2. integration of systems;
- 3. processing of, management of, mining or warehousing of data;
- 4. administration, management, operation or hosting of: another party's systems, technology or computer facilities;
- 5. website development; website hosting;
- 6. internet access services; intranet, extranet or electronic information connectivity services; software application connectivity services;
- 7. manufacture, sale, licensing, distribution, or marketing of: software, wireless applications, firmware, shareware, networks, systems, hardware, devices or components;
- 8. design and development of: code, software or programming;
- 9. providing software application: services, rental or leasing;

10. screening, selection, recruitment or placement of candidates for temporary or permanent employment by others as information technology professionals;
11. **telecommunication services**;
12. **telecommunication products**; and
13. web related software and connectivity services performed for others.

- **telecommunication products** means computer hardware, firmware and/or software products, electronic equipment or devices manufactured, sold, handled, distributed or disposed of by **you** which are specifically designed or intended for use in telecommunication systems or **your telecommunication services**.

- **telecommunication services** means the following services performed for others:

1. telephone services including competitive access provider, dial tone access, digital subscriber line (DSL), incumbent/local exchange carrier, facsimile, integrated services digital network (ISDN), interconnection, local, long distance, reseller, switching, and 911 emergency services;
2. means call conferencing, call forwarding, call identification, call return, call waiting, calling card, directory assistance, repeat dialing, speed dial, toll free, video conferencing, voice messaging services;
3. cellular and wireless communication services including paging and ground based satellite communication services;
4. provision of cable television services; and
5. telecommunication consulting services.

- **temporary worker** means a person who is provided to **you** by a third party for a specific time period to support or increase **your** work force in special situations. Such situations may include employee absences, temporary skill shortages and seasonal workloads. A temporary worker is not an employee of **yours**.

- **third party corporate confidential information** means third party corporate information provided to **you** and protected under a nondisclosure agreement or confidentiality provision of a contract entered into by the **named insured** with the owner of the third party corporate information.

- **third party service provider** means an independent contractor operating on behalf of the **named insured** pursuant to a written contract or agreement with the **named insured** but only if such independent contractor is acting within the scope of the terms of the written contract or agreement for the benefit of the **named insured**.

- **wrongful act** means the following:

1. **data privacy wrongful act**;
2. **network wrongful act**;
3. **professional services wrongful act**; and
4. **security wrongful act**.

**Wrongful act** also includes an **interrelated wrongful act**. **Wrongful act** includes any of the foregoing when caused by the acts of a **rogue employee**.

- **you** or **your** mean, individually and collectively:

1. any **named insured**;
2. any past or present partner, **executive officer**, or any individual in an equivalent position of a **named insured**, including but not limited to individuals that hold management positions similar to an **executive officer** for any **named insured** that does not have a charter, constitution, by-laws or any other similar governing document, but only while performing their duties as such;
3. any past or present employee of the **named insured** but only while performing their duties as such; employee does not include a **temporary worker**;
4. any individual person who is an agent or independent contractor but only while acting within the scope of his or her **contract worker agreement** with the **named insured**;

5. a client that the **named insured** is required, in a written contract to perform **enterprise services**, to add as an additional insured under this policy. But the client is insured under this policy only if:
  - a. the **wrongful acts** were committed by the **named insured** in the **named insured's** performance of **enterprise services**;
  - b. the written contract is entered before the **wrongful act** giving rise to the **claim** is committed; and
  - c. there are no **allegations** of independent misconduct by the client.
6. any member or stockholder of the **named insured**; but this only applies with respect to their liability as a member or stockholder; or
7. the executors, administrators or legal representatives of each of **you** listed in items 1 through 6 above in the event of **your** death, incapacity or bankruptcy; but this only applies while performing their duties as such.

### Section III – Exclusions

- A. **We** will not pay **damages, first party expenses, or claim expenses** or defend any of **you** for any **wrongful act or claim** arising out of or in any way related to any actual or alleged:
1. bodily injury, sickness, disease or death sustained by a person; or mental anguish, emotional distress, mental injury, fright or shock when they result in or from bodily injury, sickness, disease or death;
  2. physical damage to or physical loss of tangible property and any resulting loss, corruption or destruction of data or information, including **all** resulting loss of use of that property, data or information. However, this exclusion will not apply to:
    - a. the loss, corruption or destruction of data or information when the tangible property on which the data or information is or was kept is not physically damaged or physically lost; and
    - b. that portion of a **claim** due to a **data privacy wrongful act** as a result of the loss of the **named insured's** leased or owned computer hardware, including mobile, networked, and data storage equipment;
  3. obligation which any of **you** may have to pay under any workers' compensation act, employer's liability law, unemployment compensation law, disability benefits law, or any similar law; or any foreign equivalent;
  4. disruption of, surge in, fluctuation in or loss of: power, connectivity or communications. However, this exclusion will not apply to any of the foregoing when directly caused by a **wrongful act** committed by any of **you**;
  5. withdrawal or recall of all or part of **enterprise services** from the marketplace. However, this exclusion will not apply to **claims** by third parties for the loss of use resulting from withdrawal or recall of **enterprise services** due to a **wrongful act** committed by any of **you**;
  6. cost: overruns, guarantees, estimates or estimates being exceeded;
  7. false, deceptive, fraudulent, intentionally misleading or misrepresenting statements in advertising;
  8. sweepstakes, lotteries or other games of chance: or contests;
  9. price fixing, or any other violation of: any securities, antitrust or restraint of trade laws, the Racketeer Influenced and Corrupt Organizations Act; any similar law; or any foreign equivalent;
  10. Section 616 of the Fair Credit Reporting Act; any actual or alleged violation of Section 605(g) of the Fair Credit Reporting Act;
  11. false, deceptive, or unfair business or trade practices; unfair competition; or violation of consumer protection laws, any similar law, or any foreign equivalent. However, this exclusion will not apply to that portion of a **claim** alleging the violation of a **data privacy law**;
  12. violation or misuse of any intellectual property right, including but not limited to:

- a. infringement or dilution of: title, slogan, trademark, trade name, trade dress, service mark or service name;
  - b. infringement of copyright, plagiarism or misappropriation of ideas;
  - c. piracy;
  - d. patent infringement or patent misuse; or
  - e. misuse, misappropriation or theft of trade secrets;
13. **personal injury**;
14. tortious interference with the contractual relationships of others;
15. discrimination, harassment or misconduct by any of **you** because of or relating to: race, creed, color, age, gender, sex, sexual preference or orientation, national origin, religion, disability, handicap, health condition, marital status, or any other class protected under federal, state, local or other law; or any similar law in a jurisdiction outside the United States of America;
16. acts or omissions by any of **you** regarding:
- a. refusal to employ;
  - b. termination of a person's employment;
  - c. employment-related practices, policies, acts or omissions; these include but are not limited to coercion, demotion, evaluation, re-assignment, discipline, defamation, harassment, humiliation or discrimination; or
  - d. breach of fiduciary duty or other responsibility in connection with any employee benefit or pension plan; this includes but is not limited to violation of the duty or responsibility imposed on fiduciaries by the Employee Retirement Income Security Act of 1974 (ERISA) or any changes to that law; any similar law; or any foreign equivalent;
17. or threatened discharge, dispersal, seepage, migration, release or escape of **pollutants** or any loss, cost or expense arising out of any:
- a. request, demand, order or statutory or regulatory requirement that any of **you** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of **pollutants**; or
  - b. **claim** or suit by or on behalf of a governmental authority for **damages** because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of **pollutants**; or
18. electromagnetic radiation, including but not limited to magnetic energy, waves, fields, or forces.
- B. **We** will not pay **damages** or **claim expenses** or defend any of **you** for any **claim** made by or on behalf of:
- 1. any of **you**; however, this exclusion will not apply to **claims** made:
    - a. by any of **you** described in items 3, 4 or 5 of the definition of **you** when the **claim** is made in their capacity as a client as a result of **enterprise services** performed by the **named insured** on their behalf; or
    - b. against the **named insured** by any of **you** described in items 3 or 4 of the definition of **you** when the **claim** is the result of the **named insured's** failure to prevent identity theft or disclosure of **nonpublic personal information**.
  - 2. any entity which is a parent, affiliate, **subsidiary**, joint venturer, co-venturer or other entity in which any of **you** owns an interest or is a partner, director, officer, sole proprietor, trustee or employee;
  - 3. any entity affiliated with any of **you** through any common ownership or control;
  - 4. any entity directly or indirectly controlled, operated or managed by any of **you**; or
  - 5. any federal, state or local government body, subdivision or agency; any regulatory or licensing agency or bureau; or any foreign equivalent. However, this exclusion will not apply when the

**claim** is made in their capacity as a client as a result of **enterprise services** performed by the **named insured** on their behalf.

For the purposes of exclusions B.2 through 4 above, the words "owns," "ownership or control" and "controlled" mean ten percent (10%) or more ownership of a publicly-held corporation or thirty percent (30%) or more ownership of a privately-held corporation, or ten percent (10%) or more of any other type of entity.

C. **We will not pay damages, first party expenses, or claim expenses** for any **wrongful act, cyber extortion threat, network intrusion, network outage, or claim** arising out of or in any way related to any:

1. dishonest, fraudulent, criminal or intentional wrongful act or omission by any of **you**; or
2. material defect or bug known by any of **you** that could reasonably be expected to cause harm;

when such act or knowledge is established by **your** admission or final adjudication by a jury, court or arbitrator.

However, exclusions C.1 and 2 above do not apply to any of **you** who did not commit, acquiesce in, or remain passive after learning of the actions giving rise to the **claim**. For purposes of this exclusion, the knowledge, action or inaction of any **executive officer**, partner, or any individual in an equivalent position of a **named insured**, including any individual that holds a management position similar to an **executive officer** for **named insureds** that do not have a charter, constitution, by-laws or any other similar governing document, will be imputed to the applicable **named insured**.

D. **We will not pay damages, first party expenses, or claim expenses** or defend any of **you** for any **claim** arising out of or in any way related to any actual or alleged **wrongful act, cyber extortion threat, network intrusion, network outage, or claim** that has been reported under any other policy, issued by any entity, when the inception date of that other policy preceded the Start Date of this policy.

#### Section IV – Nuclear Energy Liability Exclusion

A. **We will not pay damages, first party expense, or claim expenses** or defend any of **you** for any **wrongful act or claim** arising out of or in any way related to any:

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

#### Section V – Limits Of Liability And Retention

A. **Limits of Liability**

1. Each **Wrongful Act** Limit

Subject to A.2 below, the Each **Wrongful Act** Limit stated in item 4 of the Declarations is the most **we** will pay for any combination of **claim expenses** and **damages** for the total of all **claims** made during the **policy period**, including any applicable Extended Reporting Period, arising from one **wrongful act**, regardless of the number of:

- a. **you** this policy covers;
- b. **claims** that are made; or
- c. persons or entities making **claims**.

An **interrelated wrongful act** is subject to the Each **Wrongful Act** Limit.

2. Aggregate Limit

The Aggregate Limit stated in item 4 of the Declarations is the most **we** will pay for any combination of **claim expenses** and **damages** for the total of all **claims** made during the **policy period**, including any applicable Extended Reporting Period, regardless of the number of:

- a. **you** this policy covers;
- b. **claims** that are made;
- c. persons or entities making **claims**; or
- d. **wrongful act** that are committed.

**B. Retention for Each Wrongful Act**

The Retention stated in item 5 of the Declarations is the amount of money **you** must pay for covered **damages** and/or **claim expenses** for each **wrongful act** before this policy will begin to pay. **You** may not insure the Retention. The Retention will not be reduced by the payment of any deductible amount or any amount retained by any of **you** under any other policy of insurance; and the Retention will not be reduced by any payment made on **your** behalf by another person or entity. The Retention will not reduce the Limits of Liability.

**You** will pay the full amount of the Retention for each **wrongful act** to appropriate parties as directed by **us**. If **we** advance any such payments, **you** will reimburse **us** within thirty (30) days of **our** written demand. If **you** fail to make direct payments or to reimburse **us** as described above, all of **you** against whom the **claim** has been made and the **named insured** are individually and collectively responsible for paying **us** back for any advance payments **we** have made and for interest, attorney's fees and costs associated with **our** collection of the money.

**Section VI – Extended Reporting Periods**

**A. Terms Applicable to Both Types of Extended Reporting Period**

An Extended Reporting Period changes the time within which a **claim** may be made against **you** and still be reported by **you**, and considered by **us**, for coverage in accordance with the terms of this policy. This policy has two types of Extended Reporting Periods: the Basic Extended Reporting Period and the Optional Extended Reporting Period. Both the Basic Extended Reporting Period and the Optional Extended Reporting Period:

1. provide coverage for **claims** that are first made against **you** during such applicable Extended Reporting Period, but:
  - a. **we** will not pay **damages** or **claim expenses** or defend any of **you** for any **wrongful act** or **claim** arising out of or in any way related to any actual or alleged **wrongful act** that is committed during an Extended Reporting Period; and
  - b. only if, there is no other insurance for the **claim**;
2. do not extend the **policy period** or add to the scope of coverage provided as of the end of the **policy period**;
3. do not reinstate or increase the Limits of Liability. The Limits of Liability for any Extended Reporting Period will be a part of, and not in addition to, the Limits of Liability listed in the Declarations for the **policy period**;
4. run concurrently (if the Optional Extended Reporting Period is purchased); and
5. are not renewable.

**B. Basic Extended Reporting Period**

**We** will automatically provide a Basic Extended Reporting Period if this policy is:

1. cancelled;
2. non-renewed; or
3. renewed by **us** with insurance that does not apply on a **claims** made or **claims** made and reported basis.

The Basic Extended Reporting Period begins with the end of the **policy period** and lasts for ninety (90) days.

**C. Optional Extended Reporting Period**

1. For an additional premium, **we** will offer an Optional Extended Reporting Period endorsement, unless this policy is cancelled for non-payment of premium or Retention or for **your** failure to comply with policy provisions.
2. If the Optional Extended Reporting Period endorsement is purchased, the Optional Extended Reporting Period begins with the end of the **policy period** and lasts for the period of time stated in the endorsement.
3. Optional Extended Reporting Period coverage is available only if:
  - a. the **first named insured** has paid all premiums and Retentions due for this policy at the time the **first named insured** requests an Optional Extended Reporting Period endorsement;
  - b. **we** receive the **first named insured's** written request for it within thirty (30) days after the end of the **policy period**;
  - c. the **first named insured** gives **us** written acceptance of **our** offer within fifteen (15) days of the day that **we** make **our** offer; and
  - d. **we** receive payment in full for the Optional Extended Reporting Period within thirty (30) days of the **first named insured's** acceptance of **our** offer.
4. Once in effect, the Optional Extended Reporting Period cannot be cancelled. **We** need not return any part of the premium paid for any reason whatsoever.
5. Premium for the Optional Extended Reporting Period will be determined by taking into account the following:
  - a. the exposures insured;
  - b. previous types and amounts of insurance;
  - c. Limits of Liability available under this policy for future payment of **wrongful acts** and **claim expenses**; and
  - d. other related factors.

**Section VII – Conditions**

**A. Territory**

This policy applies to **wrongful acts, cyber extortion threats, network intrusions, and denial of service attacks** committed anywhere in the universe; except this policy does not apply when the **claim** is made, or the **first party expenses** are incurred, in a country against which the United States government has imposed trade sanctions, embargoes, or any similar regulations that prohibit the transaction of business with or within such countries at the time the **claim** is made or the **first party expenses** are incurred.

**B. Currency**

The currency of this policy is United States of America dollars. If **damages, first party expenses, or claim expenses** are paid in a currency other than United States dollars, payment will be considered to have been made in United States dollars at the rate of exchange that was used for the payment. If no actual currency exchange was made, then the rate of exchange will be the rate published in The Wall Street Journal on the day following the date that payment was made.

**C. Bankruptcy**

Bankruptcy or insolvency of **you** or of **your** estate will not relieve **us** of **our** obligations under this policy.

**D. Cancellation**

1. The **first named insured** may cancel this policy by mailing or delivering to **us** advance written notice of cancellation.

2. **We** may cancel this policy by mailing to the **first named insured** written notice of cancellation at least:
  - a. ten (10) days before the cancellation is effective, if **we** cancel for non-payment of any premium when due; or
  - b. sixty (60) days before the cancellation is effective, if **we** cancel for any other reason.
3. **We** will mail **our** notice to the address shown in the Declarations for the **named insured**.
4. Notice of cancellation by **us** will state when the cancellation is effective. The **policy period** will end on that date.
5. If this policy is cancelled, **we** will send the **first named insured** any premium refund due. If **we** cancel, the refund will be the pro-rata unearned premium. If the **first named insured** cancels, **we** will compute the return premium at ninety percent (90%) of the pro-rata unearned premium.
6. Proof of mailing will be sufficient proof of notice.
7. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective. But payment or tender of unearned premium is not a condition of cancellation.

#### E. **When We Do Not Renew**

1. If **we** decide not to renew this policy, **we** will mail written notice of non-renewal to the **first named insured**. **We** will mail the notice at least sixty (60) days before the **policy period** ends.
2. **We** will mail it to the address shown in the Declarations for the **named insured**. Proof of mailing will be sufficient proof of notice.
3. If **we** offer to renew this policy on the same or different terms and the **first named insured** does not accept **our** offer during the current **policy period**, this policy will expire at the end of the **policy period**.
4. If there is an inconsistency between the terms and conditions regarding the nonrenewal of this policy stated in a state amendatory endorsement attached to this policy and the terms and conditions of this **When We Do Not Renew** provision, **we** will apply those terms and conditions that are more favorable to **you**, where permitted by law.

#### F. **Entire Agreement**

This policy contains all the agreements between **you** and **us** concerning this insurance.

#### G. **Changes**

The **first named insured** is authorized by **you** to agree with **us** on all changes in the terms and conditions of this policy. This policy can only be changed by an endorsement that is issued by **us**.

#### H. **Duties in the Event of Wrongful Act or Claim**

1. The **named insured** must notify **us** in writing as soon as practicable of a **wrongful act** or circumstance that may result in a **claim** under this policy. This requirement applies only when the **wrongful act** is known to:
  - a. any person who is a **named insured**;
  - b. any partner, **executive officer**, or any individual in an equivalent position of a **named insured**, including but not limited to individuals that hold management positions similar to an **executive officer** for any **named insured** that does not have a charter, constitution, by-laws or any other similar governing document; or
  - c. any individual responsible for the insurance, legal, or financial matters of the **named insured** including but not limited to General Counsel, Risk Manager, or Insurance Manager of the **named insured**.
2. If during the **policy period** any of **you** first become aware of a **wrongful act** to which this policy applies which may result in a **claim** under this policy and give **us** written notice within the **policy period** of:
  - a. the specific **wrongful act**, the date of the **wrongful act** and the name of the potential claimant;

b. the **damages** which have or may result from the **wrongful act**; and

c. the circumstances by which **you** first became aware of the **wrongful act**;

then any **claim** first made arising out of the **wrongful act** will be deemed to have been made on the date **we** received written notice and therefore subject to items 3 and 4 below.

All notices or correspondence regarding **wrongful acts** or **claims** must be sent to the address(es) or facsimile(s) indicated by endorsement to this policy.

3. If a **claim** is made against any of **you**, as soon as any **specified insured** knows of such a **claim**, **you** must:
  - a. immediately record the specifics of the **claim** and the date received;
  - b. immediately send **us** copies of all demands, notices, summonses and legal papers received in connection with the **claim**;
  - c. authorize **us** to obtain records and other information;
  - d. cooperate with **us** in the investigation, settlement, and defense of the **claim**; and
  - e. assist **us**, upon **our** request, in enforcing any right against any person or entity that may be liable to **you** or the claimant because of **damages** to which this policy may also apply.
4. None of **you** will, except at **your** own cost, make a payment, assume any obligation, or incur any cost without **our** prior written consent.

#### I. Legal Action Against Us

No person or entity has a right under this policy:

1. to join **us** as a party or bring **us** into a suit asking for **damages** from **you**; or
2. to sue **us** under this policy

unless all of its terms and conditions have been fully complied with.

A person or entity may sue **us** to recover on an agreed settlement or on a final judgment against **you** obtained after an actual trial or other binding adjudication. But **we** will not be liable for **claim expenses** or **damages** that are not payable under the terms and conditions of this policy or that are more than the applicable Limit of Liability.

An agreed settlement means a settlement that **we** agree to in writing.

#### J. Mergers, Consolidations or Acquisitions

1. If, after the Start Date of this policy shown in the Declarations, the **named insured**:
  - a. merges or consolidates with another entity; or
  - b. acquires more than fifty percent (50%) of the assets of another entity,and the **named insured** is the surviving entity, the entity merged or consolidated with or acquired by the **named insured** will be afforded coverage under this policy as a **named insured** for a period of ninety (90) days or until the expiration of this policy, whichever is less.
2. **We** may endorse this policy to provide coverage beyond the period of time indicated in item 1 above if, within ninety (90) days of the merger, consolidation or acquisition transaction, **you** have:
  - a. provided **us** with full details of the transaction and any other additional underwriting information that **we** may require;
  - b. agreed to any amendment of the terms and conditions of this policy by endorsement issued by **us** relating to such transaction; and
  - c. agreed to and paid any additional premium for the endorsement related to such transaction.
3. This policy does not apply to any **claim** or **first party expenses** arising from or involving an entity that is merged or consolidated with or acquired by the **named insured** for any **wrongful act**, **cyber extortion threat**, **network intrusion**, or **network outage** that was committed when the **first named insured** did not own directly or indirectly more than fifty percent (50%) of the issued and outstanding voting stock of the entity.

4. The applicable retroactive date for an entity that was merged or consolidated with or acquired by the **named insured** will be the date of the merger, consolidation or acquisition by the **named insured**. **We** may endorse this policy to provide a different applicable retroactive date for the merged or consolidated with or acquired entity, if applicable information is provided to demonstrate similar coverage has been continuously maintained by the entity.
5. If after the Start Date of this policy shown in the Declarations:
  - a. the **first named insured** merges or consolidates with another entity and the **named insured** is not the surviving entity; or
  - b. more than 50% of the securities representing the right to vote for the **first named insured's** board of directors or managers is acquired by another person or entity, group of persons or entities, or persons and entities acting in concert;

then coverage shall continue under this policy and any renewal or replacement hereof but only for **wrongful acts** occurring prior to any such transaction. The **first named insured** shall give us written notice and full, written details of such transaction as soon as practicable (but, in all cases, within ninety (90) days of such transaction). If any transaction described herein occurs, then **we** will not be obligated to offer any renewal or replacement of this policy.

**K. Other Insurance and Payments Available to You**

Coverage under this policy will apply only in excess of all other:

1. insurance, except for other insurance that is written specifically to apply in excess over this policy;
2. bonds, self-insured retentions, deductibles, indemnifications; or
3. similar agreements or payment options available to **you**

whether they are stated to be primary, pro rata, contributory, contingent or otherwise.

**L. Payment of Premiums and Retention**

The **first named insured** must pay all premiums and Retentions when due. **We** will pay any return premiums to the **first named insured**.

**M. Transfer of Rights of Recovery Against Others to Us**

**You** must do nothing to impair **your** rights to recover all or any part of any payment **we** have made under this policy, and those rights are transferred to **us**. At **our** request **you** will bring suit or transfer those rights to **us** and help **us** enforce them. Any recoveries will be paid first to reimburse the person or entity that paid the subrogation costs, then to **us** for the amount **we** have paid. Any amount that may remain will be paid to the **first named insured**.

**N. Transfer of Your Rights and Duties Under This Policy**

**Your** rights and duties under this policy may not be transferred without **our** written consent except in the case of death or bankruptcy.

If **you** die or become bankrupt, **your** rights and duties will be transferred to **your** legal representative but only while acting within the scope of duties as **your** legal representative.

Until **your** legal representative is appointed, anyone having proper temporary custody of **your** property will have **your** rights and duties but only with respect to that property.

**O. Representations and Statements**

By accepting this policy, **you** agree to all of the following:

1. the representations and statements contained in the application for coverage and other information submitted to **us** in applying for this policy are accurate and complete; they were made to induce **our** reliance upon them;
2. the representations and statements made to **us** in the application and other information submitted to **us** were made by the **named insured** on behalf of all of **you**; they are material to **our** decision to provide coverage; they are considered as incorporated in and constituting part of this policy;
3. **we** have issued this policy in reliance upon those representations and statements;
4. in the event the application or other information submitted to **us** contains misrepresentations or fails to state facts which affect **our** acceptance of the risk, the hazard assumed by **us**, the terms

or conditions of the policy **we** offered or the premium **we** charged for this policy, **we** will not pay for any **claim expenses, damages, or first party expenses** relating to a **wrongful act, claim, cyber extortion threat, network intrusion, or network outage** under this policy; and

5. if **you** report any **wrongful act, claim, cyber extortion threat, network intrusion, or network outage** knowing it, or any of the representations and statements regarding the **wrongful act, claim, cyber extortion threat, network intrusion, or network outage** to be false or fraudulent, this insurance will not make payments for the **wrongful act, claim, cyber extortion threat, network intrusion, or network outage**.

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**Named Insured and Address:**

Snailworks,LLC,  
3 N COURT ST STE 2A,  
FREDERICK, MD, 21701-5458

Endt. No. \_\_\_\_\_

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **MEDIA LIABILITY ENDORSEMENT – GIGA**

You and we agree that:

Section I – Coverage, Subsection A. Insuring Agreement is changed to add the following:

**We** will pay on **your** behalf money in excess of the Retention that **you** become legally required to pay as **damages** and **claim expenses** because of a **claim** caused by a **media wrongful act**.

Section II – Definitions, **wrongful act** is changed to add the following:

- **media wrongful act**

Section II – Definitions is changed to add the following:

- **advertisement** means the widespread public dissemination of information or images that has the purpose of inducing the sale of goods, products or services through radio, television, billboard, magazine, newspaper, internet, social media, or any other publication that is given widespread public distribution.
- **advertising idea** means any idea for an **advertisement**. The foregoing notwithstanding, **advertising idea** does not include any invention or method protected by patent.
- **content** means data, code, masked works, text, images, sounds, scents, textures, tastes, or any other form of expression.
- **media wrongful act** means any act, error or omission by **you** or a **rogue employee** in the course of creating, using, disseminating or publishing **content** that results or allegedly results in:
  1. wrongful publication, defamation, slander or libel, product disparagement trade libel or other tort related to disparagement or harm to the reputation or character of any person or organization;
  2. invasion or interference with an individual's right of publicity, including commercial appropriation of name, persona, voice or likeness;
  3. plagiarism or unauthorized use of **advertising idea**, **advertisement**, literary or artistic format, character or performance; or
  4. infringement of copyright, domain name, trademark, trade dress, service mark, or service name.

Section III – Exclusions, subsection A, item 12 is deleted and replaced with the following:

12. a. patent infringement or patent misuse; or
- b. misuse, misappropriation or theft of trade secrets;

Section III – Exclusions, subsection B, is changed to add:

**We** will not pay **damages** or **claim expenses** or defend any of **you** for any **claim** made by or on behalf of any agent or independent contractor supplying **content**, material or services to any of **you** when the **claim** arises from or relates to the ownership or exercise of rights in the **content**, material or services supplied.

All other terms and conditions remain unchanged.

**Named Insured and Address:**

Snailworks,LLC,  
3 N COURT ST STE 2A,  
FREDERICK, MD, 21701-5458

Endt. No. \_\_\_\_\_

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **INTELLECTUAL PROPERTY ENDORSEMENT - GIGA**

You and we agree that:

Section II – Definitions, **professional services wrongful act** is changed to add the following:

- an **intellectual property wrongful act** in your performance of **enterprise services**

Section II – Definitions, **wrongful act** is changed to add the following:

- **intellectual property wrongful act**

Section II – Definitions is changed to add the following:

- **content** means data, code, masked works, text, images, sounds, scents, textures, tastes, or any other form of expression.
- **intellectual property wrongful act** means:
  1. infringement or, where applicable, dilution of: copyright, title, slogan, trademark, trade name, trade dress, service mark or service name;
  2. piracy; plagiarism; or misappropriation of ideas under implied contract; but only when it directly relates to infringement of copyright or trademark; and
  3. misuse of an intellectual property right in **content**, but only when it results in **intellectual property wrongful acts** described in items 1. and 2. above.

Section III – Exclusions, subsection A, item 12 is deleted and replaced with the following:

12. a. patent infringement or patent misuse; or
- b. misuse, misappropriation or theft of trade secrets;

Section III – Exclusions, subsection B, is changed to add:

**We will not pay damages or claim expenses or defend any of you for any claim made by or on behalf of any agent or independent contractor supplying content, material or services to any of you when the claim arises from or relates to the ownership or exercise of rights in the content, material or services supplied.**

All other terms and conditions remain unchanged.

**Named Insured and Address:**

Snailworks,LLC,  
3 N COURT ST STE 2A,  
FREDERICK MD, 21701-5458

Endt. No. \_\_\_\_\_

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **PERSONAL INJURY ENDORSEMENT - GIGA**

You and we agree that:

Section II – Definitions, **professional services wrongful act** is changed to add the following:

- a **personal injury wrongful act** in your performance of **enterprise services**

Section II – Definitions, **wrongful act** is changed to add the following:

- **personal injury wrongful act**

Section II – Definitions is changed to add the following:

- **personal injury wrongful act** means:

1. any form of defamation or disparagement causing harm to the character, reputation or feelings of any person, entity, product or service, including libel, slander, product or service disparagement, trade libel, infliction of emotional distress, outrage or outrageous conduct but only when caused by **content**;
2. any form of invasion, infringement or interference with rights of publicity or privacy, including false light, public disclosure of private facts, intrusion and commercial appropriation of name or likeness;
3. wrongful entry or eviction, trespass, eavesdropping or other invasion of the right of private occupancy; and
4. malicious prosecution or false: arrest, detention or imprisonment.

Section III – Exclusions, subsection A, item 13. is deleted.

All other terms and conditions remain unchanged.

**Policy Number: 42 SBA AY5LCJ**

**Effective Date: 07/01/2024**

**Named Insured and Address:**

**Snailworks,LLC,  
3 N COURT ST STE 2A,  
FREDERICK, MD, 21701-5458**

**Endt. No.** \_\_\_\_\_

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **SIGNATURE ENDORSEMENT**

**We** have caused this policy to be signed by **our** President and a Secretary, but it will not be binding unless countersigned on the Declarations page by **our** fully authorized representative.

**Named Insured and Address:**

Snailworks,LLC,  
3 N COURT ST STE 2A,  
FREDERICK, MD, 21701-5458

Endt. No. \_\_\_\_\_

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ADDRESS FOR WRONGFUL ACT OR CLAIM NOTIFICATION OR CORRESPONDENCE ENDORSEMENT**

You and we agree that:

Section VII – Conditions is changed to add the following:

All notices or correspondence regarding **wrongful acts** or **claims** must be sent to the attention of

The Hartford  
Hartford Financial Products Claims Department

to one or more of the following:

By Mail: Hartford Fire Insurance Company,  
One Hartford Plaza, Hartford, CT 06155

By email: [hfpclaims@thehartford.com](mailto:hfpclaims@thehartford.com)

By facsimile: (917) 464-6000

All other terms and conditions of the policy remain unchanged.

**Named Insured and Address:**

Snailworks,LLC,  
3 N COURT ST STE 2A,  
FREDERICK, MD, 21701-5458

Endt. No. \_\_\_\_\_

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **DATA PRIVACY: LAWS, REGULATORY PROCEEDING AND WRONGFUL ACT REDEFINED**

This endorsement modifies insurance provided under:

**FailSafe<sup>SM</sup> Enterprise Liability Policy**

You and we agree that:

Section II – **Definitions** is amended as follows:

1. The definition of **data privacy laws** in Section II. **DEFINITIONS** is amended to add the following:

Data privacy laws also means the European Union General Data Protection Regulation (“GDPR”).

2. Definitions, is amended to delete and replace the following:

- o **data privacy regulation proceeding** means a civil, administrative or regulatory proceeding against, or a civil investigation of, a **named insured** by a state’s attorney general, the Federal Trade Commission, the Federal Communications Commission, or any other federal, state, local or foreign governmental entity in such entity’s regulatory authority or capacity in connection with such proceeding, commenced by an investigative demand or similar request for information, or by a complaint or similar pleading, alleging violation of any **data privacy law** as a result of a **data privacy wrongful act** or a **network wrongful act**.
- o **data privacy wrongful act** means any act, error or omission by you or a rogue employee that results in:
  1. the improper collection, control, disclosure or use of **nonpublic personal information** that is within the care, custody or control of **you**, or any **third party service provider**;
  2. a violation by the **named insured** of a **data privacy law**; or
  3. the improper and unintentional disclosure of **third party corporate confidential information**.
- o **third party corporate confidential information** means third party corporate information provided to **you** and protected under a nondisclosure agreement or confidentiality provision of a contract entered into by the **named insured** with the owner of the third party corporate information, or for which the **named insured** is legally required to maintain in confidence.

All other terms and conditions of the policy remain unchanged.

**Named Insured and Address:**

Snailworks,LLC,  
3 N COURT ST STE 2A,  
FREDERICK, MD, 21701-5458

Endt. No. \_\_\_\_\_

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ASBESTOS EXCLUSION**

**You and we** agree that:

Section II – Definitions is changed to add the following:

**Asbestos hazard** means an exposure or threat of exposure to the actual or alleged properties of asbestos and includes the mere presence of asbestos in any form.

Section III – Exclusions, subsection A is changed to add the following:

- **asbestos hazard**, including any:
  1. threatened loss, injury or damage of any nature or kind to persons or property which would not have occurred in whole or in part but for the **asbestos hazard**;
  2. request, demand or order to test for, monitor, clean up, remove, encapsulate, contain, treat, detoxify or neutralize or in any way respond to or assess the effects of an **asbestos hazard**; or
  3. testing for, monitoring, cleaning up, removing, encapsulating, containing, treating, detoxifying or neutralizing or in any way responding to or assessing the effects of an **asbestos hazard**.

All other terms and conditions of the policy remain unchanged.

Policy Number: 42 SBA AY5LCJ

Effective Date of this Endorsement: 07/01/2024

**Named Insured and Address:**

Snailworks,LLC,  
3 N COURT ST STE 2A,  
FREDERICK, MD, 21701-5458

Endt. No. \_\_\_\_\_

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **UNSOLICITED SENDING OF INFORMATION EXCLUSION**

Section III – **Exclusions**, A., of the policy is amended by the addition of the following:

-- Sending of information by fax, electronic mail (e-mail), or via any other means, where prohibited by law;

All other terms and conditions remain unchanged.

**Named Insured and Address:**

Snailworks,LLC,  
3 N COURT ST STE 2A,  
FREDERICK, MD, 21701-5458

Endt. No. \_\_\_\_\_

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **WAIVER OF RIGHTS OF RECOVERY PER CONTRACT REQUIREMENT**

**You and we** agree that:

Section VII – Conditions, the subsection entitled **Transfer of Rights of Recovery Against Others to Us**, is deleted and replaced with the following:

### **Transfer of Rights of Recovery Against Others to Us**

**You** must do nothing to impair **your** rights to recover all or any part of any payment **we** have made under this policy, and those rights are transferred to **us**. At **our** request **you** will bring suit or transfer those rights to **us** and help **us** enforce them. Any recoveries will be paid first to reimburse the person or entity that paid the subrogation costs, then to **us** for the amount **we** have paid. Any amount that may remain will be paid to the **first named insured**.

However, solely as respects to **enterprise service** performed by **you** for a client that requires, by written contract, the **named insured** to waive their right of recovery against such client, **we** will waive any right of recovery **we** may have against such client for amounts paid by **us**.

All other terms and conditions of the policy remain unchanged.

**Named Insured and Address:**

Snailworks,LLC,  
3 N COURT ST STE 2A,  
FREDERICK, MD, 21701-5458

Endt. No. \_\_\_\_\_

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **SELECTION OF COUNSEL ENDORSEMENT**

You and we agree that:

Section I – Coverage, subsection B, items 1, 2 and 3 are deleted and replaced with the following:

1. For all covered **claims**, we have the right and duty to defend **you**. At the time **you** notify **us** of any such **claim**, the **first named insured** has the right to select defense counsel, and inform us of such selection in writing, subject to all of the following conditions. Selected counsel must:
  - a. be a licensed attorney in good standing in the jurisdiction where the **claim** has been made or is most likely to be made;
  - b. have his or her primary office within fifty (50) miles of the venue of the **claim**, unless **our** prior written consent is granted to select counsel more than 50 miles away;
  - c. bill at an hourly rate that does not exceed the normal and customary rate that we pay or would pay for a similar case in the venue where the **claim** has been made;
  - d. have at least five (5) years of civil litigation practice, including the litigation of at least three (3) technology cases involving allegations similar to those made in the **claim** to be defended;
  - e. have current malpractice insurance with limits of liability of at least \$1 million for each claim or occurrence;
  - f. agree to and continue to cooperate with **us** fully and disclose to us all information concerning the claim, except privileged information related to a coverage dispute between **you** and **us**;
  - g. be pre-approved in writing by us; such approval will not be unreasonably withheld; and
  - h. selected counsel agrees to comply with Hartford Financial Products Attorney Guidelines.

Subject to the Limits of Liability, we will pay reasonable **claim expenses** incurred by counsel selected pursuant to item 1. a. through h. above.

Nothing in this section will relieve any of **you** of **your** responsibilities under this policy.

If the **first named insured** does not inform **us** in writing that it intends to exercise the right to select counsel as provided above, we will exercise that right on behalf of the **first named insured**.

2. Even if the **first named insured** has selected counsel under the terms provided in subsection 1 above, we still have the right to select separate counsel to participate in all aspects of the defense of the **claim** together with counsel chosen by the **first named insured**. If we exercise this right to also select counsel, the attorney selected by **us** will be paid by **us** and those payments will not reduce **your** Limits of Liability or apply to **your** Retention.
3. The following terms apply to all covered **claims**:
  - a. We may investigate any claim as we deem appropriate.
  - b. You will not settle any **claim** without our prior written consent, even if the **claim** is less than the amount of the Retention. We have the right to settle all **claims**, unless we receive a written objection from the **first**

**Named Insured and Address:**

Snailworks,LLC,  
3 N COURT ST STE 2A,  
FREDERICK, MD, 21701-5458

Endt. No. \_\_\_\_\_

named insured before we agree to a settlement. The first named insured will be notified before we agree to a settlement. If the first named insured objects to a settlement recommended by us and acceptable to the claimant, then our duty to pay will be limited to:

- (1) the amount of damages for which the claim could have been settled; plus
- (2) all claim expenses incurred and paid or payable by us or the first named insured at the time we made our recommendation; plus
- (3) fifty percent (50%) of all covered damages and claim expenses incurred and paid or payable by us or the first named insured after the time we made our recommendation.

If the total of those amounts falls within your Retention, we will have no duty to pay damages and claim expenses on that claim.

In no event will we be obligated to pay more than the remaining applicable Limit of Liability determined under Section V – Limits of Liability and Retention.

In claims where the first named insured has objected to a settlement recommended by us, we have the right to stop defending and paying claim expenses upon tendering control of the defense to you.

- c. We have the right to exercise all of your rights in choosing arbitrators and in conducting all arbitrations.
- d. Our right and duty to defend claims and to pay claim expenses will end when we have used up the applicable Limit of Liability by paying damages and/or claim expenses.

All other terms and conditions remain unchanged.

**Named Insured and Address:**

Snailworks,LLC,  
3 N COURT ST STE 2A,  
FREDERICK, MD, 21701-5458

Endt. No. \_\_\_\_\_

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **INDEPENDENT CONTRACTOR, TEMPORARY, OR LEASED PERSONNEL ENDORSEMENT**

You and we agree that:

Section II – Definitions is amended as follows:

The definition of **you**, item 4, is deleted and replaced with the following:

- o Any agent, independent contractor, temporary, or leased personnel, but only while acting within the scope of his or her **contract worker agreement** with the **named insured**.

The definition of **contract worker agreement** is deleted and replaced with the following:

- o **contract worker agreement** means a signed agreement between the **named insured** and an agent, independent contractor, or temporary or leased personnel when the agreement provides that:
  1. the agent, independent contractor, or temporary or leased personnel will provide specific **enterprise services** on behalf of the **named insured**;
  2. **the named insured** will indemnify the agent, independent contractor, or temporary or leased personnel for those **enterprise services**; and
  3. the agreement is made before any **wrongful act** that may give rise to a **claim**.

All other terms and conditions of the policy remain unchanged.

**Named Insured and Address:**

Snailworks,LLC,  
3 N COURT ST STE 2A,  
FREDERICK, MD, 21701-5458

Endt. No. \_\_\_\_\_

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **NEW SUBSIDIARY, MERGER, CONSOLIDATION OR ACQUISITION – SPECIALTY RISKS ENDORSEMENT**

- I. Section II – Definitions, subsection 1 within the definition of **Subsidiary**, is deleted and replaced with the following:
  1. **Subsidiary** also includes any corporation which becomes a **subsidiary** during the **policy period**, provided that as soon as practical, **you** have:
    - a. provided **us** with full details of the new **subsidiary** including a completed and signed **subsidiary** application any other underwriting information **we** may require;
    - b. agreed to and paid any additional premium related to the **subsidiary**, if projected gross annual revenues of the new **subsidiary** are equal to or greater than Thirty-Five percent (35%) of the projected gross annual revenues for all of **you** on the Start Date of this policy; and
    - c. agreed to any change in the terms and conditions of this policy required by us relating to the new **subsidiary**.
- II. Section VII – Conditions, subsection 2 within J. **Mergers, Consolidations or Acquisitions**, is deleted and replaced with the following:
  2. **We** may endorse this policy to provide coverage beyond the period of time indicated in item 1. above if, as soon as practical after the merger, consolidation or acquisition transaction, **you** have:
    - a. provided **us** with full details of the transaction and any other additional underwriting information that **we** may require;
    - b. agreed to any amendment of the terms and conditions of this policy by endorsement issued by us relating to such transaction; and
    - c. agreed to and paid any additional premium for the endorsement related to such transaction, if, as a result of the transaction, projected gross annual revenues for all of you increases Thirty-Five percent (35%) or more over the projected gross annual revenues on the Start Date of this policy.

All other terms and conditions remain unchanged.

**Named Insured and Address:**

Snailworks,LLC,  
3 N COURT ST STE 2A,  
FREDERICK, MD, 21701-5458

Endt. No. \_\_\_\_\_

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **WAR EXCLUSION WITH CYBER TERRORISM CARVE-BACK**

This endorsement modifies insurance provided under:

**FailSafe<sup>sm</sup> Enterprise Liability POLICY**

**You and we agree that:**

Section III - **Exclusions**, Subsection A is amended to add the following:

**Named Insured and Address:**

This insurance does not apply to damages, first party expense or claim expenses, and we do not defend any of **you**, for any **wrongful act** or **claim** arising indirectly or directly out of:

1. war, including undeclared or civil war; or
2. warlike action, including action in hindering or defending against an actual, threatened or expected attack, by a military force, any government, sovereign or other authority using military personnel or other agents; or
3. insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these;

Provided, however, that this exclusion will not apply to any act of cyber terrorism.

Section II – **Definitions** is amended to add the following:

**cyber terrorism** means the premeditated use, or threatened use, of disruptive activities, including a **cyber extortion threat** against **your computer systems**, by an individual or group of individuals, whether acting alone or on behalf of or in connection with any organization or government, with the intent to demand a **cyber extortion payment**, cause a **network intrusion**, or violate **data privacy laws**, in furtherance of stated social, ideological, religious, economic or political objectives, or to intimidate the insured in furtherance of such objectives.

All other terms and conditions of the policy remain unchanged.

Named Insured and Address:

Snailworks,LLC,  
3 N COURT ST STE 2A,  
FREDERICK, MD, 21701-5458

Endt. No. \_\_\_\_\_

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **MARYLAND CHANGES**

You and we agree that:

Section VI – Extended Reporting Periods, subsection C Optional Extended Reporting Period, paragraph 1. and 5. are deleted and replaced with the following:

**C. Optional Extended Reporting Period**

1. For an additional premium, **we** will offer an Optional Extended Reporting Period endorsement.

As a condition precedent to **your** right to purchase the Optional Extended Reporting Period, the full premium for this policy and **policy period** must have been paid. Where premium is due to **us** for coverage under this Policy, any monies received by **us** from **you** as payment for the Optional Extended Reporting Period coverage shall be first applied to such premium owing for this policy. The Optional Extended Reporting Period coverage will not take effect until the premium owing for this policy is paid in full and unless the premium owing for the Optional Extended Reporting Period coverage is paid promptly when due.

5. Premium for the Optional Extended Reporting Period will be determined by taking into account the following:
  - a. the exposures insured;
  - b. previous types and amounts of insurance; and
  - c. Limits of Liability available under this policy for future payment of **wrongful acts** and **claim expenses**.

All other terms and conditions remain unchanged.



## U.S. DEPARTMENT OF THE TREASURY, OFFICE OF FOREIGN ASSETS CONTROL ("OFAC") ADVISORY NOTICE TO POLICYHOLDERS

No coverage is provided by this Policyholder Notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided.

This Notice provides information concerning possible impact on your insurance coverage due to directives issued by the United States. **Please read this Notice carefully.**

The Office of Foreign Assets Control ("OFAC") of the U.S. Department of the Treasury administers and enforces economic and trade sanctions based on U.S. foreign policy and national security goals against targeted foreign countries and regimes, terrorists, international narcotics traffickers, those engaged in activities related to the proliferation of weapons of mass destruction, and other threats to the national security, foreign policy or economy of the United States. OFAC acts under Presidential national emergency powers, as well as authority granted by specific legislation, to impose controls on transactions and freeze assets under U.S. jurisdiction. OFAC publishes a list of individuals and companies owned or controlled by, or acting for or on behalf of, targeted countries. It also lists individuals, groups, and entities, such as terrorists and narcotics traffickers designated under programs that are not country-specific. Collectively, such individuals and companies are called "Specially Designated Nationals and Blocked Persons" or "SDNs". Their assets are blocked and U.S. persons are generally prohibited from dealing with them. This list can be located on OFAC's web site at — <http://www.treas.gov/ofac>.

In accordance with OFAC regulations, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated U.S. sanctions law or is an SDN, as identified by OFAC, the policy is a blocked contract and all dealings with it must involve OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC.

**ENDORSEMENT NO:**

**This endorsement, effective 12:01am, 07/01/2024 forms part of policy number 42 SBA AY5LCJ**

**issued to: Snailworks,LLC**

**by: Hartford Fire Insurance Company**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**MARYLAND CANCELLATION AND NONRENEWAL ENDORSEMENT**

Wherever used in this endorsement: 1) "Insurer" means the insurance company which issued this policy; and 2) "Insured" means the Name of Insured, Name of Company, Name of Partnership, Parent Company, Name of Insured Plan or Trust, Name of Insured Entity, Named Entity, Named Real Estate Investment Trust(s), Name of Sponsor Company or Insured stated in ITEM A or ITEM 1 of the Declarations Page.

The Cancellation provision of this Policy is deleted and replaced by the following:

**NOTICE OF CANCELLATION**

- A. The **Insured** shown in the Declarations may cancel this Policy by mailing or delivering advance written Notice of Cancellation to the **Insurer** stating when thereafter such cancellation shall be effective.
- B. The **Insurer** may cancel this Policy by mailing to the **Insured** written Notice of Cancellation at least:
  - 1. ten (10) days before the date the **Insurer** proposes to cancel the Policy for nonpayment of premium, the **Insurer** shall send to the **Insured**, by certificate of mail, a written notice of intention to cancel for nonpayment of premium; or
  - 2. forty-five (45) days before the effective date of cancellation if the **Insurer** cancels for any other reason.
- C. The **Insurer** will mail its notice to the **Insured's** last mailing address known to the **Insurer**. Notice of Cancellation will state the specific reasons for cancellation.
- D. Notice of Cancellation will state the effective date of cancellation. The **Policy Period** will end on that date.
- E. If this Policy shall be cancelled by the **Insured**, the **Insurer** shall refund ninety percent (90%) of the unearned premium to the **Insured**, except as otherwise provided in this Policy. If the **Insurer** cancels this Policy, the **Insurer** shall retain the pro rata proportion of the premium. However, if this Policy is financed by a premium finance company and, if the **Insurer**, the premium finance company, or the **Insured** cancels the Policy, the **Insurer** shall return any gross unearned premiums that are due under the Policy, computed pro rata, and excluding any expense constant, administrative fee or any nonrefundable charge filed with and approved by the insurance commissioner, to the premium finance company for the account of the **Insured** within a reasonable time not exceeding forty-five (45) days after:
  - 1. receipt by the **Insurer** of a notice of cancellation from the premium finance company or the **Insured**;
  - 2. the date the **Insurer** cancels the Policy or

3. completion of any payroll audit necessary to determine the amount of premium earned while the Policy was in force.

The cancellation will be effective even if we have not made or offered a refund.

- F. A certificate of mailing will be proof of mailing and sufficient proof of notice.

The following provision is added:

#### NOTICE OF NONRENEWAL

- A. If the **Insurer** decides not to renew this Policy, it will mail to the **Insured** shown in the Declarations written Notice of the Nonrenewal not less than forty-five (45) days before the expiration date or anniversary date of this Policy.
- B. The **Insurer** is not required to send a Notice of Nonrenewal if the **Insured** has notified the **Insurer** or the **Insurer's** agent that the **Insured** does not want to renew the Policy.
- C. A certificate of mailing will be proof of mailing and sufficient proof of notice.

All other terms and conditions remain unchanged.



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

10/09/2024

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Georgetown Insurance, an Alera Group Company 10010 Colesville Road Suite A Silver Spring MD 20901		<b>CONTACT NAME:</b> Kathy Albaugh, CISR <b>PHONE (A/C, No, Ext):</b> (301) 681-9645 <b>E-MAIL ADDRESS:</b> kathy@georgetownins.com <b>FAX (A/C, No):</b> (301) 593-2590	
		<b>INSURER(S) AFFORDING COVERAGE</b>	
		<b>INSURER A:</b> Hartford Underwriters Insurance Company	<b>NAIC #</b> 30104
		<b>INSURER B:</b> Property & Casualty Ins Co of Hartford	34690
		<b>INSURER C:</b>	
		<b>INSURER D:</b>	
		<b>INSURER E:</b>	
		<b>INSURER F:</b>	
<b>INSURED</b> Snailworks. LLC 3 North Court Street Suite 2A Frederick MD 21701			

**COVERAGES****CERTIFICATE NUMBER:****REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	<input checked="" type="checkbox"/> <b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	Y		42SBAAY5LCJ	07/01/2024	07/01/2025	EACH OCCURRENCE	\$ 1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 1,000,000
							MED EXP (Any one person)	\$ 10,000
							PERSONAL & ADV INJURY	\$ 1,000,000
							GENERAL AGGREGATE	\$ 2,000,000
							PRODUCTS - COMP/OP AGG	\$ 2,000,000
							Non-owned	\$ 1,000,000
A	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY			42SBAAY5LCJ	07/01/2024	07/01/2025	COMBINED SINGLE LIMIT (Ea accident)	\$ 1,000,000
							BODILY INJURY (Per person)	\$
							BODILY INJURY (Per accident)	\$
							PROPERTY DAMAGE (Per accident)	\$
								\$
A	<input checked="" type="checkbox"/> <b>UMBRELLA LIAB</b> <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 10,000			42SBAAY5LCJ	07/01/2024	07/01/2025	EACH OCCURRENCE	\$ 3,000,000
							AGGREGATE	\$ 3,000,000
								\$
B	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N Y	N/A	42WEC AY5XFP MD, NJ	07/01/2024	07/01/2025	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER	
							E.L. EACH ACCIDENT	\$ 1,000,000
							E.L. DISEASE - EA EMPLOYEE	\$ 1,000,000
							E.L. DISEASE - POLICY LIMIT	\$ 1,000,000
A	<b>ERRORS &amp; OMISSION LIABILITY "CYBER LIABILITY"</b>			42SBAAY5LCJ	07/01/2024	07/01/2025	Each Wrongful Act	\$2,000,000
							Aggregate Limit	\$2,000,000

**DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)**

The Entity, its officers, officials, employees and volunteers are Additional Insureds on the General Liability policy, on a primary and non-contributory basis, with respect to liability arising out of work or operations performed by or on behalf of the Named Insured in accordance with policy terms and conditions, if required by written contract

**CERTIFICATE HOLDER****CANCELLATION**

City of Redondo Beach City Clerk's Office 415 Diamond Street  Redondo Beach CA 90277	<b>SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.</b>  <b>AUTHORIZED REPRESENTATIVE</b> 
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