

Policy Document

HSB Cyber Insurance

Computer, data and cyber-risks insurance

Contents

Your contract with us	3	Section 6 – Cyber event – loss of business income	17
Important information	4	What we will pay for	
Headings and interpretation		How much we will pay	
Your policy		Extra cover	
Your responsibility to provide us with a fair presentation of the risk		What we will not pay for	
Your rights to cancel your policy		Cover applying to multiple sections	18
Our rights to cancel your policy		What we will pay for	
Other important terms that may affect your cover		Special definitions	
Our regulators		How much we will pay	
What happens if we cannot meet our liabilities		Extra cover applying to all sections	19
How we use your information		Claim conditions	20
The laws and jurisdiction that apply to your policy		General conditions	21
Contacting us	6	General exclusions	23
Making a claim			
Making a complaint			
Making any other enquiry			
Definitions	7		
Section 1 - Hardware	10		
What we will pay for			
How much we will pay			
Extra cover			
What we will not pay for			
Section 2 - Data corruption and extra cost	12		
What we will pay for			
How much we will pay			
Extra cover			
What we will not pay for			
Section 3 - Cyber crime	13		
What we will pay for			
How much we will pay			
What we will not pay for			
Section 4 - Cyber liability	14		
What we will pay for			
How much we will pay			
Extra cover			
Special conditions applying to section 4			
What we will not pay for			
Section 5 – Data-breach expense	16		
What we will pay for			
How much we will pay			
Extra cover			
Special conditions applying to section 5			
What we will not pay for			

Your contract with us

Thank you for buying the cyber insurance policy from us, HSB Engineering Insurance Limited (HSBEIL). We are pleased that you have chosen our policy, and we will work hard to make sure that you are happy with the cover and service you receive.

The policy is a legal contract between:

- you, the person or organisation shown in the schedule as ‘The insured’; and
- us.

The policy is made up of this document, the schedule setting out details of your cover, and any endorsements shown in the schedule. These make up the entire contract between you and us and must be read together. Please keep them all safely together.

We used the information you gave us on your proposal, and any further information we received, to decide whether to insure you. If any of that information was not accurate or was incomplete, this could affect your cover (see ‘Your responsibility to provide us with a fair presentation of the risk under ‘Important information’).

If you pay the premium shown in the schedule, and keep to the terms and conditions of the policy, you will be covered under the sections of this document shown in the schedule for the **period of insurance**.

This policy has been issued by HSB Engineering Insurance Limited

Important information

Headings and interpretation

Throughout this policy:

- words or phrases which appear in bold have the meanings shown in the 'Definitions' section;
- headings are only to help you find the information you need, they do not form part of the policy wording;
- words which appear in the singular include the plural and vice versa;
- words which appear in the present tense include the past tense and vice versa; and
- any words after the terms 'including', 'include', 'in particular', 'for example' or any similar expressions are examples and will not limit the meaning of the words.

Your policy

This document, together with the schedule and any endorsements shown in the schedule, contains the information you need to know about your insurance. This document contains important information such as the terms and conditions of your insurance and how to contact us. The schedule and endorsements show:

- which sections of this document apply;
- the **sum insured** or **limit of liability** (the maximum amount of cover you have) for each section;
- any extra cover you have; and
- the premium.

Please keep the schedule with this document. We will send you a new schedule whenever there is a change to your insurance. We will also send you renewal documents each year before the renewal date shown, so you can check that the cover still meets your needs.

Your policy provides cover against specified events. Read this policy carefully to make sure that it meets your needs and you understand what is and is not covered. If there is anything you need to change or do not understand, contact the person who arranged this insurance for you, or you can contact us. You can find the contact details for your local HSBEIL office on our website at www.hsbeil.com.

Your responsibility to provide us with a fair presentation of the risk

You, or anyone acting for you, must make a fair presentation of your risk to us, not only when you first buy your policy, but also at each renewal and/or if you ask us to make any mid-term change to the policy during the **period of insurance**.

This means that the information you give us in your proposal is complete and accurate so has not been misrepresented in any way, and that you have made a fair presentation of the risk to be insured by disclosing every material fact and circumstance which you know or ought to know. A fact or circumstance is material if it would influence the judgment of the underwriter when considering whether to accept the risk and on what terms, conditions and premium. If you are in any way unsure

whether or not a fact or circumstance is material to disclose, please consult the person who arranged this insurance for you or contact us.

If you fail to make a fair presentation and if:

- your failure is deliberate or reckless, we will treat your policy as if it never existed, refuse all claims and keep any premium you have paid. If your failure occurs during a change to your policy we will terminate your policy from the date of that change, refuse subsequent claims and keep any premium you have paid.
- your failure is not deliberate or reckless and we would not have issued your policy had you made a fair presentation, we will treat your policy as if it never existed and return any premium you have paid. If your failure occurs during a change to your policy we will treat your policy as though the change was not made and return any extra premium you paid.
- your failure is not deliberate or reckless and we would have issued or changed your policy on different terms had you made a fair presentation, we will:
 - alter the terms of your policy to those we would have imposed (other than those relating to premium); and/or
 - reduce the amount paid or payable on any claim in proportion to the amount of any additional premium that we would have charged.

As set out in general condition 3 - 'Alteration in risk', you, or anyone acting for you, must tell us about any change in circumstance which happens either before or during the **period of insurance** which may affect your cover (for example, something that increases the risk or something we asked you about when we accepted your proposal).

Your rights to cancel your policy

Cooling-off period

You have 14 days to make sure that you are happy with the cover provided. You can cancel the policy by telling the person who arranged this insurance for you, or by telling us in writing, and returning the schedule. This 14-day period, known as the 'cooling-off period', starts on:

- the day you receive your policy; or
- the date the **period of insurance** starts;

whichever is later.

If you do cancel the policy within the cooling-off period, as long as you have not made a claim, we will refund all the premium you have paid. If you have made a claim, you will not get a refund.

After the cooling-off period

You can cancel your policy at any time during the **period of insurance** by telling the person who arranged this insurance for you, or by telling us in writing, and returning the schedule. If you have made a claim, you will not get a refund. If you have not made a claim, when we receive your notice and schedule, we will cancel the policy and send you a refund. That refund will be a percentage of the year's premium, based on the number of days left in the **period of insurance**, less a cancellation charge (10% of the year's premium). If the amount of premium you have actually paid does not cover the period you have been insured for, you must pay us the difference.

Important information

Our rights to cancel your policy

We may cancel your policy if you do not keep to:

- general condition 4 – ‘Caring for your hardware’;
- general condition 10 – ‘Paying the premium’; or
- general condition 11 – ‘Right to survey and request risk improvements’.

If we cancel your policy because you have not kept to the general conditions shown above, we will send at least 14 days’ written notice to the last known address we have for you. If you have not made a claim and no incident has occurred which is likely to give rise to a claim, we will refund a percentage of the premium based on the number of days left in the **period of insurance**. If you have made a claim you will not receive a refund and you must pay us any amount you still owe for the period during which you have been insured.

Other important terms that may affect your cover

You must meet the requirements contained in any **condition precedent** set out in the policy. If you do not keep to these requirements you will not be able to bring a claim under the policy and we will not become legally responsible to pay that claim.

Our regulators

HSB Engineering Insurance Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. The Financial Conduct Authority’s website includes a register of all regulated firms.

You can contact the Financial Conduct Authority at:

Financial Conduct Authority
12 Endeavour Square
London E20 1JN
Telephone: 0800 111 6768
Website: www.fca.org.uk

What happens if we cannot meet our liabilities

If we cannot pay you what we owe, you may be entitled to compensation under the Financial Services Compensation Scheme (FSCS).

You can get more information about the scheme by contacting the FSCS at:

Financial Services Compensation Scheme
PO Box 300
Mitcheldean GL17 1DY
Telephone: 0800 678 1100
Website: www.fscs.org.uk

How we use your information

We are the controller of any personal information (for example, names, addresses, telephone numbers, job titles or dates of birth) you provide to us, or which is processed in connection with your policy. We collect and process information about you that we consider to be necessary in order to make decisions about the cover we provide to you, any claims you make, or to detect and prevent fraud. We also may record incoming and outgoing telephone calls with you for training, monitoring and quality control purposes.

We may share your information with, and obtain information about you from, companies within the Munich Re Group, other insurers, brokers, loss adjusters, credit reference agencies, fraud prevention agencies or other third parties who provide services on our behalf.

For further details on how your information is used and your rights in relation to your information, please see our Privacy statement at www.hsbeil.com.

The laws and jurisdiction that apply to your policy

Before the **period of insurance** starts, you can tell us in writing which of the following laws you want to apply to the policy.

Option 1: The laws that apply in the part of the United Kingdom, Channel Islands or Isle of Man where the **hardware** is kept (the **insured location**).

Option 2: The laws that apply in the part of the United Kingdom, Channel Islands or Isle of Man where you live or where your **business** is located.

Option 3: The laws of England and Wales.

If you do not tell us a preference, option 3 will apply.

All disputes in connection with your policy will take place in the relevant courts of the option that applies to the policy.

Unless you and we agree otherwise in writing, all communications relating to the policy will be in English.

Contacting us

Making a claim

When you make a claim, it is very important that you meet all of the requirements of the policy, particularly claim condition 1– ‘Reporting a claim’. You must notify us within the time frames set out in the **condition precedent** otherwise you will not be able to bring a claim under the policy.

If you do not keep to the other conditions in the policy we may not pay part or all of your claim.

You must report your claim to either the person who arranged this insurance for you or to us at:

Claims Department
HSB Engineering Insurance Limited
Chancery Place
50 Brown Street
Manchester M2 2JT
Telephone: +44 (0) 330 100 3432 (Calls to this number are charged at the same standard landline rate as calls to 01 or 02 numbers.)
Email: new.loss@hsbeil.com

Making a complaint

We are committed to providing the highest standards of customer service and treating our customers fairly. If you have a complaint, contact the person who arranged this insurance for you or contact us at:

The Customer Relations Leader
HSB Engineering Insurance Limited
Chancery Place
50 Brown Street
Manchester M2 2JT
Telephone: +44 (0) 330 100 3433 (Calls to this number are charged at the same standard landline rate as calls to 01 or 02 numbers.)
Email: complaints@hsbeil.com

Our aim is to resolve complaints as soon as possible. If we are able to resolve the complaint within three days we will send you a summary resolution communication (SRC) to confirm the complaint has been resolved.

If the complaint takes longer than three days to resolve we will:

- confirm this within five business days;
- pass it to our complaints team to be reviewed; and
- do our best to deal with your complaint within four weeks. If we cannot, we will write to you and let you know when we will be able to give you a final response.

If we cannot resolve your complaint within eight weeks, or you are not happy with our final response, you may be able to complain to the Financial Ombudsman Service (FOS).

The FOS is an independent organisation which may be able to review your complaint for you.

You can contact the FOS at:

The Financial Ombudsman Service
Exchange Tower
London E14 9SR
Telephone: 0800 023 4567
Website: www.financial-ombudsman.org.uk

The FOS’s service is available to individual policyholders as well as charities, trustees and small businesses with an income or assets within set limits. You can get more information from us or the FOS.

If you make a complaint to the FOS, this may affect your right to take legal action against us.

Making any other enquiry

If you have any questions about the policy or your cover, contact the person who arranged the insurance or contact us.

You can find the contact details for your local HSBEIL office on the website at www.hsbeil.com.

Definitions

Where the words below are printed bold in this document or the schedule, they have the meanings shown here.

Act of terrorism

An act committed by, or threat made by, any person or group (whether acting alone or in connection with any organisation or government) for political, religious, ideological or similar purposes, including to influence any government or frighten the public.

Business

Your business activities as specified in the 'Business description' shown in the schedule.

Business income

This means:

- the amount of net income (profit or loss before taxes) which you would have earned after the **time excess** if the **cyber event** or **prevention of access** had not happened;
- normal operating expenses that continue, including ordinary payroll.

Computer equipment

Computers and associated equipment, telecommunications equipment and software and programs used to process **data**, but not including:

- **portable equipment**;
- **electronic office equipment**;
- equipment controlling manufacturing processes, or forming part of machinery; or
- equipment held as stock or which you have manufactured and is intended for sale or repair in the course of your **business**.

Computer system

Hardware, data, computer networks, websites, intranet and extranet sites.

Computer virus

Any malware, program code or programming instruction designed to have a damaging effect on a **computer system**.

Condition precedent

An important legal term which sets out a step or action you must take. If you do not keep to or meet the requirements set out in a **condition precedent** we will not be legally liable to pay a claim under the policy. However, we will not rely on a breach of **condition precedent** to decline liability for a claim if you can prove that the failure to keep to the relevant term could not have increased the risk of the loss which actually occurred in the circumstances in which it occurred.

Contamination

An impurity resulting from the mixture or contact of a substance with a foreign substance, including mould, mildew, fungus, spores, diseases, viruses or microorganism of any type, nature, or description.

Cyber action

The use of a **technology system** by, or on behalf of, a **state** to disrupt, deny, degrade, manipulate or destroy information in a **technology system** to hinder, defend against civil war, insurrection, rebellion, or revolution within that **state**.

Cyber attack

Computer virus, hacking or **denial of service attack** which is not just targeted at you and your **computer system**.

Cyber event

This means:

- loss, corruption, accidental or malicious deletion of or change to, unauthorised access to, or theft of **data**;
- **damage** to websites, intranet or extranet sites;
- **damage** or disruption caused by **computer virus, hacking** or **denial of service attack**; or
- failure of or variation in the supply of electricity or telecommunications networks owned and operated by you;

affecting your **computer system**, the **computer system** of a **service provider** or customer of yours.

Cyber operation

The use of a **technology system** by, or on behalf of, a **state** to disrupt, deny, degrade, manipulate or destroy information in a **technology system** of, or in, another **state**.

Damage

Total or partial loss, damage, destruction, breakdown or corruption.

Damages

This means:

- financial compensation you have to pay, except for fines, penalties, liquidated damages (agreed damages or penalties you have to pay under a contract), punitive or exemplary damages (extra damages to punish you) or aggravated damages (more severe damages to reflect the seriousness of an offence); or
- third parties' costs and expenses you have to pay as a result of a claim being brought against you.

Data

Facts, concepts, information, ideas, text, recordings and images which are converted to a form which can be processed by **hardware**, but not including software and programs.

Data privacy obligations

Legal obligations relating to securing, managing and preventing unauthorised access or use of **data**, and arising under:

- relevant data-protection regulations anywhere in the world associated with the confidentiality of, access to, control of and use of **personal data** which are in force at the time of the **occurrence**;
- guidance from the Information Commissioner's Office or similar organisations worldwide;
- the Payment Card Industry Data Security Standard or other contractual obligations relating to handling credit-card and debit-card information; or
- privacy statements and confidentiality agreements.

Defence costs

Costs and expenses we agree to in writing for investigating, settling or defending a claim against you.

Definitions

Denial of service attack

Malicious and unauthorised attack which overloads any **computer system**.

Directors and officers

Directors, officers, principals, partners or members while they are employed by you and under your control in connection with the **business**.

Electronic office equipment

Photocopiers, fax machines, shredders, addressing machines, franking machines, televisions and associated equipment, DVD and CD recorders and players, video and audio conferencing and projection equipment and associated software and programs.

Employee

This means any:

- person employed, borrowed or hired by you, including apprentices;
- labour master or labour-only subcontractor (or a person supplied by any of them);
- self-employed person;
- person taking part in any government or otherwise authorised work experience, training, study, exchange or similar scheme;
- person doing voluntary work for you; or
- person supplied to you under a contract or agreement which states that they are in your employment;

when they are working for you in connection with your **business**, but not including your **directors and officers**.

Excess

The 'Excess' shown in the schedule, which is the amount of your claim that we will not pay.

Hacking

Unauthorised or malicious access to any **computer system** by electronic means.

Hardware

Computer equipment, portable equipment and **electronic office equipment** shown in the schedule.

Indemnity period

The period during which you suffer a loss of **business income** or have to pay extra costs, starting on the date of the **cyber event, damage to hardware** or **prevention of access** and ending no later than the last day of the **indemnity period** shown in the schedule.

Infectious agent

Any transmissible bacterium, microorganism, virus or other pathogen that induces or is capable of inducing an infectious disease.

Insured location

Any location shown in the schedule as an **insured location**.

Limit of liability

The amount shown in the schedule which is the most we will pay for claims arising out of each **occurrence**, regardless of the number of people or organisations insured by your policy.

Occurrence

One event or a series of events arising out of or in connection with the same cause, source or event.

Pandemic

A widespread outbreak of a human infectious disease, into at least three countries on two different continents.

Pandemic impact

Any of the following if they are caused by, result from, arise out of or related to a **pandemic**:

- sickness, disability or death;
- civil or military actions or orders, including confiscation; curfews; evictions; quarantines; restricted access to buildings or other property and restricted travel;
- strikes, riots or civil commotion;
- actions taken or refused to be taken by individuals or businesses;
- any other actions, advice or restrictions put in place by either the Government or competent, local, civil or military authority in order to hinder, defend against or respond to any **infectious agent** or **pandemic** or fear or threat of an **infectious agent** or **pandemic**.

Period of insurance

The period of time, as shown in the schedule, during which you are covered by the policy, unless it is cancelled or treated as though it never existed (see 'Your responsibility to provide us with a fair presentation of the risk' on page 4).

Pollutant

Any solid, liquid, gaseous, biological, radiological, or thermal irritant or **contaminant**, including smoke, vapour, soot, fumes, acid, alkalis, chemicals, vaccines and waste (including materials to be recycled, reconditioned, reclaimed, or disposed of, as well as, nuclear materials).

Personal data

Information which could identify a person or allow identity theft or other fraud to take place.

Portable equipment

Laptops, palmtops, notebooks and tablet computers, removable satellite-navigation systems, digital cameras and smartphones and associated software and programs.

Prevention of access

Prevention of access to, or use of, your **computer system** as a result of a public or police authority using its powers to protect property following physical damage caused by fire, lightning, explosion or aircraft and other aerial devices to property within a mile of an **insured location**.

Service provider

A business that you hire under a written contract to perform services on your behalf in connection with your **business**.

State

Sovereign state.

Sum insured

The amount shown in the schedule.

Definitions

Technology system

Any computer, hardware, software, communications system, electronic device (including smart phone, laptop, tablet, wearable device), server, cloud infrastructure or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, **data** storage device, networking equipment or back up facility.

Territorial limits

The **territorial limits** shown in the schedule.

Time excess

The time period, as shown in the schedule, we will not pay any loss of **business income** for.

War

This means:

- the use of physical force by a **state** against another **state** or as part of a civil war, rebellion, revolution, insurrection; and/or
- military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority;

whether **war** be declared or not.

Section 1 - Hardware

As well as the claim conditions, general conditions and general exclusions, the following terms and conditions apply under section 1.

What we will pay for

If section 1 is shown as insured in the schedule, we will pay you for **damage** caused to **hardware** owned, hired, leased or rented by you, if that **damage** arose during the **period of insurance** and while the **hardware** was at an **insured location**.

How much we will pay

We may repair, replace or pay out money for **damage** to your **hardware**. We will pay to repair or replace (as new) with **hardware** of the same capacity or performance. If **hardware** of the same capacity or performance is no longer available, we will pay to repair or replace with the nearest higher equivalent.

Where necessary, replacement **hardware** will be provided by, and be capable of being supported by, any existing supplier, maintenance contract or software and system-support agreement.

If **hardware** is not being repaired or replaced, we have the right to pay no more than the value of the **hardware** immediately before the **damage**, after making an allowance for fair wear and tear.

The most we will pay for each **occurrence** is the **sum insured** plus any 'Extra cover limits' shown for section 1 in the schedule, regardless of the number of people or organisations insured by your policy. If the **occurrence** is the result of a **cyber attack**, the amount we pay may be limited by the 'Cyber attack limit'. The 'Cyber attack limit' is shown in the schedule and is explained more fully in general condition 6 - 'Cyber attack limit'.

Extra cover

If we have agreed to provide any of the extra cover below, this will be shown in the 'Extra cover limits' in the schedule and we will not pay more than these limits for each **occurrence**.

1. Extra hardware

The **sum insured** shown for section 1 is automatically increased by the amount shown in the schedule to include any **hardware** which you get during the **period of insurance** at an **insured location**, or **hardware** at any new premises owned, leased or occupied by you within the **territorial limits** which you have accidentally failed to tell us about.

2. Extra hire or lease costs

If we have agreed to pay for **damage** to **hardware**, we will pay for the following.

- Extra hire, lease or rental costs arising out of changes to or replacement of an existing hire, lease or rental agreement. Any payment we make under this extra cover will end:
 - when the hire, lease or rental agreement in force at the time of the **damage** ends; or
 - 12 months after the date of the **damage**;

whichever comes first.

- Continuing hire, lease or rental costs which you are legally liable to pay.
- The cost of payments you have to continue paying, under any extended warranty, maintenance contract or repair-service agreement, for **hardware** which has been **damaged** and is no longer in use. Any payment we make under this extra cover will end:
 - when the warranty, maintenance contract or repair-service agreement ends; or
 - 12 months after the date of the **damage**;

whichever comes first.

- The cost to you of any unused parts of any non-refundable extended warranties, maintenance contracts or repair-service agreements for **hardware** which has been **damaged** and is no longer in use.

3. Fire brigade charges

If we have agreed to pay for **damage**, we will pay for the charges you have to pay for the fire service, or any other organisation responsible for protecting the public, attending the **insured location**.

Section 1 - Hardware

4. Gas-flooding systems

We will pay for the cost of refilling or replacing the cylinders of any gas-flooding system set off accidentally at an **insured location**, and also the cost of cleaning up and repairing **damage** to any property.

5. Incompatibility

If we have agreed to pay for **damage to hardware**, we will pay the extra cost of modifying your **computer system** if replacement parts or software are incompatible with it.

6. Recovery of hardware

If we agree in writing, we will pay for the cost of investigating and recovering lost or stolen **hardware** which contains **data** that may result in you being prosecuted, your reputation being damaged, or you suffering a financial loss as the result of loss of or publication of that **data**.

7. Security guard costs

If we have agreed to pay for **damage to hardware**, we will also pay for the cost of you employing temporary security guards at an **insured location** which you own, lease or occupy, as long as:

- we are satisfied that security guards are needed to protect **hardware**; and
- the security guards are members of the International Professional Security Association (IPSA).

If security guards are needed for more than seven days, we must agree to this in writing.

8. Temporary removal

We will pay for **damage to hardware** while it is temporarily removed to, or being transported to or from, any other location anywhere in the world.

9. Trace and access

We will pay the cost of finding the point where any substances which have caused, or would cause, **damage to hardware** have escaped from. We will also pay the cost of repairing floors, walls and ceilings damaged in the course of the investigation.

10. Waste-disposal costs

If we have agreed to pay for **damage to hardware**, we will pay the cost of removing and disposing of **damaged hardware**. We will also pay the cost of you keeping to the Waste Electrical and Electronic Equipment Directive and any revisions to it.

What we will not pay for

We will not pay for the following.

1. Guarantee, warranty or maintenance contract

The cost of repairing, putting right, replacing or restoring any **damage** if that cost can be recovered under any manufacturer's or supplier's guarantee or warranty, or any maintenance contract.

2. Unexplained losses

Disappearances or shortages which are discovered when carrying out checks or inventories and cannot be accounted for.

Section 2 - Data corruption and extra cost

As well as the claim conditions, general conditions and general exclusions, the following terms and conditions apply if the schedule shows that you have cover under section 2.

What we will pay for

If section 2 is shown as insured in the schedule, we will pay:

- the cost of investigating and reconfiguring your **computer system** and the **computer system** of a **service provider** (including the cost of restoring and recreating **data**); and
- extra costs to prevent or reduce the disruption to the functions carried out by your **computer system** during the **indemnity period**;

arising as a result of a **cyber event**, **damage to hardware** or **prevention of access** you discover during the **period of insurance**.

The cover provided by this section does not include the value of **data** to you, even if the **data** cannot be restored or recreated.

How much we will pay

The most we will pay for each **occurrence** is the **sum insured** plus any 'Extra cover limits' shown for section 2 in the schedule, regardless of the number of people or organisations insured by your policy. If the **occurrence** is the result of a:

- **cyber event**, the most we will pay is GBP 100,000 or the **sum insured** whichever is lesser.
- **cyber attack**, the amount we pay may be limited by the 'Cyber attack limit'. The 'Cyber attack limit' is shown in the schedule and is explained more fully in general condition 6 – 'Cyber attack limit'.

Extra cover

If we have agreed to provide any of the extra cover below, this will be shown in the 'Extra cover limits' in the schedule and we will not pay more than these limits for each **occurrence**.

1. Accountants' fees

We will pay the cost of you providing us with the information we need to work out the amount we should pay, as a result of:

- extra staffing costs; and
- extra fees charged by your usual auditors or accountants.

2. Loss of interest

If a **cyber event**, **damage to hardware** or **prevention of access** interrupts the functions carried out by your **computer system**, we will pay you:

- interest that you would have earned on money that would have been received as recorded in your normal accounts; and
- interest due on money borrowed to maintain normal revenue, less any normal savings in cost.

What we will not pay for

We will not pay for the following.

1. Data-breach expenses

The cost of any forensic or legal investigation to find out the identities of affected parties or how and why your **data privacy obligations** have not been met, or to tell you how you should respond.

2. External network failure

Any cost or loss caused by or resulting from the failure or interruption of any gas or water supply, electrical power supply network or telecommunication network not owned and operated by you. This exclusion shall not apply to any cost or loss caused by or resulting from physical damage, if otherwise insured by your policy, to the electrical power supply network, telecommunication network or other property.

Telecommunication networks include satellite networks, the internet, internet service providers, Domain Name System service providers, cable and wireless providers, internet exchange providers, search engine providers, internet protocol networks (and similar networks that may have different designations) and other providers of telecommunications or internet infrastructure.

Section 3 - Cyber crime

As well as the claim conditions, general conditions and general exclusions, the following terms and conditions apply if the schedule shows that you have cover under section 3.

What we will pay for

If section 3 is shown as insured in the schedule, we will pay for the following which arise during the **period of insurance**.

– Your financial loss:

- following **hacking** that results in fraudulent input, destruction or modification of **data** in your **computer system**, or the **computer system** of your **service provider** leading to:

- money being taken from any account;
- goods, services, property or financial benefit being transferred; or
- any credit arrangement being made;

but excluding **hacking** by **directors and officers** or **employees**;

- resulting from you transferring funds from your account to that of a third party as a direct result of a fraudulent electronic communication;

as long as you have not received any benefit in return, and you cannot recover the loss from a financial institution or other third party.

We will also pay the cost of proving that the transaction was fraudulent and that contract or agreement was entered into fraudulently.

– Your liability to make any payment to your telephone **service provider** as the result of **hacking** into your **computer system**.

– The cost of responding, and with our written agreement the payment of a ransom demand, if anyone has or threatens to:

- cause **damage** to or disrupt your **computer system** by introducing a **computer virus**, or to initiate a **hacking** attack or **denial of service attack** against you;
- release, publish, corrupt, delete or alter **data** from your **computer system** if this would cause you commercial or financial harm or damage your reputation; or
- fraudulently or maliciously use your **computer system** to cause a loss to you or a third party;

as long as you can demonstrate that you have good reason to believe that the threat is not a hoax, and you have reported it to the police.

How much we will pay

The most we will pay for each **occurrence** is the **sum insured** plus any 'Extra cover limits' shown for section 3 in the schedule, regardless of the number of people or organisations insured by your policy. If the **occurrence** is the result of a **cyber attack**, the amount we pay may be limited by the 'Cyber attack limit'. The 'Cyber attack limit' is shown in the schedule and is explained more fully in general condition 6 – 'Cyber attack limit'.

What we will not pay for

We will not pay for the following.

1. Credit-card or debit-card fraud

Any financial loss resulting from actual or alleged fraudulent use of a credit card or debit card.

2. Fraudulent credit applications

Any financial loss resulting from a fraudulent application for credit or the provision of false details in applying for credit or opening an account with you.

Section 4 - Cyber liability

As well as the claim conditions, general conditions and general exclusions, the following terms and conditions apply if the schedule shows that you have cover under section 4.

For the purposes of this section 4, references to 'you' also mean any of your **employees** or **directors and officers**.

What we will pay for

If section 4 is shown as insured in the schedule, we will pay **damages** and **defence costs** arising from a claim first made against you during the **period of insurance** and in the course of your **business** as a result of:

- you or your **service provider** failing to secure, or prevent unauthorised access to, publication of or use of **data** (including any interference with any right to privacy or publicity, breach of confidence or your **data privacy obligations**);
- you unintentionally transmitting, or failing to prevent or restrict the transmission of, a **computer virus, hacking attack** or **denial of service attack** from your **computer system** to a third party; or
- loss of reputation (including that of a product) or intellectual property rights being infringed (broken, limited or undermined) as a result of:
 - the content of any emails distributed by your **computer system**;
 - the content of your website;
 - online promotional marketing material; or
 - other **data** processed or distributed by your **computer system**.

How much we will pay

Limit of liability

The most we will pay for all claims we accept under the policy arising out of one **occurrence** is the **limit of liability** plus any 'Extra cover limits' shown for section 4 in the schedule, regardless of the number of claims or claimants. If the **occurrence** is the result of a **cyber attack**, the amount we pay may be limited by the 'Cyber attack limit'. The 'Cyber attack limit' is shown in the schedule and is explained more fully in general condition 6 - 'Cyber attack limit'.

Defence costs

Any **defence costs** we pay will be within, not on top of, the **limit of liability**.

Paying out the limit of liability

For any and all claims arising out of any one **occurrence** we may pay the full **limit of liability** that applies to that **occurrence**.

When we have paid the full **limit of liability** for claims arising out of one **occurrence**, we will not pay any further amounts for claims arising from the same **occurrence** or for associated **defence costs** arising after we pay the full **limit of liability**.

Extra cover

If we have agreed to provide any of the extra cover below, this will be shown in the 'Extra cover limits' in the schedule and we will not pay more than these limits for each **occurrence**.

1. Attending court

We will pay you compensation, at the rates shown in the schedule, if we ask you to attend court as a witness in connection with a claim made against you that is covered under this section.

2. Fines and penalties

Following a claim against you, we will pay fines, penalties, liquidated damages (agreed damages or penalties you have to pay under a contract) and **defence costs** which you become legally obliged to pay as the result of you not keeping to your **data privacy obligations**, except for fines and penalties which you cannot insure against by law.

3. Removing data

We will pay the cost of removing or withdrawing **data** from the internet or other source available to the public, as long as that would avoid or reduce a claim against you.

Special conditions applying to section 4

The following conditions apply to this section. If you do not keep to any condition of the policy, and that condition is relevant to your claim, we may refuse to pay part or all of the claim.

1. Data protection authority

You must have paid the relevant data protection fee to or registered with, the supervisory authority established for the purpose of monitoring the application of data protection regulations that applies to your **business** unless you are exempted from doing so by the relevant legislation.

2. Protecting data

You must make sure that the appropriate procedures are in place for disposing of and destroying **hardware** and hard copy files in order to protect **data**.

Section 4 - Cyber liability

What we will not pay for

We will not pay for any **damages**, liability, expense or **defence costs** arising from the following.

1. Associated companies or other insured parties

Any claim brought against you by:

- another person named as 'insured' in the schedule;
- any of your parent or subsidiary companies; or
- any company which you are a director, officer, partner or employee of and have a financial interest in.

This exclusion does not apply to **personal data** relating to **employees** or **directors and officers** as long as any benefit they receive is no more than any third party would receive.

2. Deliberate defamation or disparagement

Defamatory or disparaging statements or publications made deliberately or recklessly if a reasonable person could anticipate that the statements could result in a claim against you.

3. Employer liability

You failing to keep to any obligation you have to your **employees** or **directors and officers**, unless this is specifically insured by your policy after your **data privacy obligations** have not been met.

4. Financial reporting

Any mistakes in financial statements or representations concerning your **business**.

5. Legislation and regulations

You actually or allegedly breaking any taxation, competition, restraint of trade, competition or anti-trust law or regulation.

6. Patent

Any patent being infringed (broken, limited or undermined) without the patent holder's permission.

7. Product liability or professional indemnity

Goods, products or software you have sold, supplied, manufactured, constructed, installed, maintained, repaired, altered or treated, or any inadequate or incorrect advice or services you have provided.

Section 5 - Data-breach expense

As well as the claim conditions, general conditions and general exclusions, the following terms and conditions apply if the schedule shows that you have cover under section 5.

For the purposes of this section 5, references to 'you' also mean any of your **employees** or **directors and officers**.

What we will pay for

If section 5 is shown as insured in the schedule, and during the **period of insurance** you discover that you have failed to keep to your **data privacy obligations** in the course of your **business**, we will pay the following.

- The cost of hiring professional legal and forensic information-technology services to investigate and tell you how you should respond.
- The cost of informing affected parties, the regulator of data privacy issues, and other relevant third parties or organisations worldwide.
- The cost of providing the following support services to affected parties as the result of you failing to keep to your **data privacy obligations**:
 - Credit monitoring, protecting against identity theft and helping affected parties to correct their credit records and take back control of their personal identity; and
 - Providing a helpline to respond to enquiries after informing affected parties.

These services will only be provided for 12 months, and only if:

- the **data privacy obligations** you have failed to keep to relate to **personal data**; or
 - you must provide the relevant service under your **data privacy obligations**.
- Public-relations and crisis-management expenses, if we have agreed in writing, for communicating with the media, your customers and the public to minimise damage to brands and business operations, and any damage to your reputation.

How much we will pay

The most we will pay for each **occurrence** is the **sum insured** plus any 'Extra cover limits' shown for section 5 in the schedule, regardless of the number of people or organisations insured by your policy. If the **occurrence** is the result of a **cyber attack**, the amount we pay may be limited by the 'Cyber attack limit'. The 'Cyber attack limit' is shown in the schedule and is explained more fully in general condition 6 - 'Cyber attack limit'.

Extra cover

If we have agreed to provide any of the extra cover below, this will be shown in the 'Extra cover limits' in the schedule and we will not pay more than these limits for each **occurrence**.

1. Security audit

If the failure to keep to **data privacy obligations** insured by your policy resulted from security weaknesses in your **computer system**, we will pay the cost of a professional consultant carrying out an audit of your **computer system** to assess the security weaknesses and advise you on how to make improvements.

Special conditions applying to section 5

The following conditions apply to this section. If you do not keep to any condition of the policy, and that condition is relevant to your claim, we may refuse to pay part or all of the claim.

1. Data Protection Authority

You must have paid the relevant data protection fee to or registered with, the supervisory authority established for the purpose of monitoring the application of data protection regulations that applies to your **business** unless you are exempted from doing so by the relevant legislation.

2. Protecting data

You must make sure that the appropriate procedures are in place for disposing of and destroying **hardware** and hard copy files in order to protect **data**.

What we will not pay for

We will not pay for the following.

1. Data-recovery expenses

The cost of restoring and recreating **data**.

2. Deficiency or improvements

The cost of correcting any failings in procedures, systems or security.

Section 6 - Cyber event – loss of business income

As well as the claim conditions, general conditions and general exclusions, the following terms and conditions apply if the schedule shows that you have cover under section 6.

What we will pay for

If section 6 is shown as insured in the schedule, we will pay you for your loss of **business income** during the **indemnity period** resulting from a **cyber event**, or **prevention of access** you discover during the **period of insurance**.

How much we will pay

The most we will pay for each **occurrence** is the **sum insured** plus any 'Extra cover limits' shown for section 6 in the schedule, regardless of the number of people or organisations insured by your policy. If the **occurrence** is the result of a **cyber attack**, the amount we pay may be limited by the 'Cyber attack limit'. The 'Cyber attack limit' is shown in the schedule and is explained more fully in general condition 6 – 'Cyber attack limit'.

The amounts we will pay under this section will be based on your **business income** during the 12 months before the **cyber event** or **prevention of access**, as recorded in your accounts. We will make adjustments to reflect trends and circumstances which may affect the **business income**, or which would have affected the **business income** whether or not the **cyber event** or **prevention of access** had happened.

Extra cover

If we have agreed to provide any of the extra cover below, this will be shown in the 'Extra cover limits' in the schedule and we will not pay more than these limits for each **occurrence**.

1. Accountants' fees

We will pay the cost of you providing us with the information we need to work out the amount we should pay, as a result of:

- extra staffing costs; and
- extra fees charged by your usual auditors or accountants.

What we will not pay for

We will not pay for the following.

1. External network failure

Any loss of **business income** caused by or resulting from the failure or interruption of any gas or water supply, electrical power supply network or telecommunication network not owned and operated by you. This exclusion shall not apply to loss of **business income** caused by or resulting from physical damage, if otherwise insured by your policy, to the electrical power supply network, telecommunication network or other property.

Telecommunication networks include satellite networks, the internet, internet service providers, Domain Name System service providers, cable and wireless providers, internet exchange providers, search engine providers, internet protocol networks (and similar networks that may have different designations) and other providers of telecommunications or internet infrastructure.

2. Time excess

Loss of **business income** or any other cost during the period of the **time excess**.

Cover applying to multiple sections

What we will pay for

Terrorism

In respect of:

- Section 1 – Hardware;
- Section 2 – Data corruption and extra cost; and
- Section 6 – Cyber event - loss of business income;

General exclusion 14 - Terrorism will not apply to any claim cost or loss caused by or resulting from **computer virus, hacking or phishing** or **denial of service attack** other than any claim cost or loss caused by or resulting from:

- damage to or destruction of any **computer system**; or
- any alteration, modification, distortion, erasure or corruption of **data**;

whether your property or not that;

- results directly from fire, explosion, flood, escape of water from any tank, apparatus or pipe (including any sprinkler system), impact of aircraft or any aerial devices or articles dropped from them, impact of any sea-going or water-going vessel or of any vehicle whatsoever or of any goods or cargo carried in or on such vessel or vehicle, destruction of, damage to or movement of buildings or structures, plant or machinery other than any **computer system**; and

– comprises;

- the cost of reinstatement, replacement or repair in respect of **damage to hardware**;
- loss of **business income** or extra costs to prevent or reduce the disruption to the functions carried out by your **computer system** as a direct result of either **damage to hardware** or as a direct result of denial, prevention or hindrance of access to or use of the **hardware** by reason of an **act of terrorism** causing damage to other property within one mile of the **hardware** to which access is affected; and
- is not caused by an **act of terrorism** in relation to which the relevant organisation or any persons acting on behalf of or in connection with that organisation are controlled by, acting on behalf of or part of any de jure or de facto government of any nation, country or state.

Special definitions

In respect of this cover only:

- **Computer system** means a computer or other equipment or component or system or item which processes stores transmits or receives **data**.
- **Data** means data of any sort whatever, including without limitation tangible or intangible data, and any programs or software, bandwidth, cryptographic keys, databases, documents, domain names or network addresses or anything similar, files, interfaces, metadata, platforms, processing capability, storage media, transaction gateways, user credentials, websites, or any information whatever.
- **Phishing** means any access or attempted access to **data** made by means of misrepresentation or deception.

How much we will pay

The most we will pay for each **occurrence** is the **sum insured** shown for the respective section of the policy shown in the schedule, regardless of the number of people or organisations insured by your policy.

Extra cover applying to all sections

If we have agreed to provide any of the extra cover below, this will be shown in the 'Extra cover limits' in the schedule and we will not pay more than these limits for each **occurrence**.

1. Avoiding corruption

If we have agreed in writing:

- we will pay the cost of locating and removing a **computer virus** from your **computer system** which has not necessarily caused any **damage** or disruption; and
- where a **computer virus** or **hacking** attack has affected your **computer system** during the **period of insurance**, we will pay the cost of hiring professional consultants to make recommendations on how to prevent your **computer system** from being infected by **computer virus** or to prevent **hacking**.

2. Investigation cost

If we accept a claim for **damage** or other loss, and we agree in writing, we will pay the cost of investigating possible repair, replacement or restoration.

3. Loss-prevention measures

We will pay the cost of preventing or minimising actual or expected **damage** or other loss covered by the policy, as long as:

- **damage** or other loss would be expected if the measures were not taken;
- we are satisfied that the **damage** or other loss has been prevented or minimised by these measures; and
- the cost is limited to the cost of **damage** or other loss which would have been caused.

The full terms and conditions of the policy apply as if **damage** or other loss covered by the policy had arisen.

4. Temporary and fast-tracked repair

If we accept a claim for **damage** or other loss, we will pay an additional amount (limited to a proportion shown in the schedule) for the cost of making temporary repairs and fast-tracking a permanent repair, replacement or restoration.

Claim conditions

You must comply with the following conditions whenever you need to make a claim under the policy. If you do not meet these conditions, we may refuse to pay part or all of your claim.

1. Reporting a claim

It is a **condition precedent** of your policy that as soon as you know about any incident or circumstance that may give rise to a claim that you tell the person who arranged the policy (or us), providing full details, as soon after the incident or circumstance as possible.

2. Claims co-operation

It is a **condition precedent** of your policy that as soon as you know about any incident or circumstance that may give rise to a claim you must also:

- take all reasonable steps and precautions to prevent further **damage**, loss of **business income** or other loss covered by your policy;
- immediately tell the police about any loss or **damage** relating to crime and get a crime reference number;
- keep any **damaged hardware**, other property covered by your policy and other evidence and allow us to inspect it; and
- give us details of any other insurances you may have which may cover **damage**, loss of **business income**, **damages**, **defence costs** or other loss insured by this policy.

In the case of you knowing about an incident or circumstance that has resulted in, or may result in:

- a claim being made against you;
- you receiving a demand for **damages**;
- you receiving a notice of regulatory action; or
- you receiving a notice of any other process seeking **damages**;

you must:

- immediately send us every letter, writ, summons or other document you receive in connection with the claim or circumstance, and record all information relating to a claim against you that is covered under section 4 - 'Cyber liability';
- co-operate with us fully and provide in a timely manner all the information and assistance we may require to investigate your claim or circumstance;
- tell us if lost or stolen **hardware** is recovered or if you recover money from a third party (you may need to give the **hardware** or money to us); and
- not admit responsibility or liability, or agree to pay any money or provide any services on our behalf, without our written permission.

3. Fraudulent claims

If you (or anyone acting for you) make a claim that you know is in any way false or exaggerated, or if any fraudulent means or devices are used in support of a claim or if any **damage** is caused by the wilful act or you are knowingly involved in the fraudulent act of another person then we shall be entitled to:

- not pay the claim;
- recover from you any sums previously paid by us in respect of the claim;

- treat this policy as being terminated with effect from the date of the fraudulent act; and
- cancel any other policies you have with us.

If the policy is treated as having been terminated on grounds of fraud, we shall:

- be entitled to refuse all liability under the policy in respect of any losses occurring after the time of the fraudulent act; and
- not be liable to refund any premiums paid under the policy.

4. Enforcing your rights

We may, at our expense, take all necessary steps to enforce your rights against any third party, other than in circumstances explained under claim condition 5 - 'Waiver of subrogation rights'. We can do this before or after we pay a claim. You must not do anything before or after we pay your claim to affect our rights and you must give us any help and information we ask for.

You must take reasonable steps to make sure that you protect your rights to recover amounts from third parties.

5. Waiver of subrogation rights

We agree to give up our rights to recover any amounts from:

- your parent company or a subsidiary company of yours;
- any company which is a subsidiary of your parent company;
- any user of your **hardware**, other than a **service provider**, authorised in writing by you before an insured loss; or
- any **employee** or your **directors and officers**, unless an insured loss happens as a result of a dishonest, fraudulent, criminal or malicious act or decision.

This will only apply if any of the above keep to the terms and conditions of your policy as if they were you.

6. Controlling defence

We can, but do not have to, take control of investigating, settling or defending any claim made against you. We would take this action in your name. If necessary, we will appoint an adjuster, solicitor or any other appropriate person to deal with the claim. We may appoint your solicitor, but only on a fee basis similar to that of our own solicitor, and only for work done with our permission in writing. We will only defend claims if we think that there is a reasonable chance of being successful, and after taking the costs of the defence into account.

7. Other insurances

If there is any other insurance policy covering your claim either wholly or in part we will not pay for **damage**, legal liability or any other loss other than in respect of any excess beyond the amount which would have been covered under the other insurance policy had this policy not been taken out.

8. Salvage and recoveries

If you have made a claim and you later recover your **hardware**, or recover money from a third party, you must tell us immediately. If we have paid the claim, you may have to give the **hardware** or money to us.

If we have paid a claim and we then recover your **hardware**, or recover money from a third party, we will give you any proceeds above the amount we paid you in connection with the claim.

Any amount due from you or us must be paid as soon as reasonably possible.

General conditions

The following conditions apply to the whole policy. If you do not keep to any condition of the policy, and that condition is relevant to your claim, we may refuse to pay part or all of the claim.

1. 72 hours clause

For any claim resulting from earthquake, storm or flood, all **damage** or other loss arising within a 72-hour period will be considered to be a single **occurrence** and so there will be a single **sum insured** or **limit of liability** and a single **excess** or **time excess**. You can choose the moment the 72-hour period starts, as long as it ends within the **period of insurance**.

2. Abandonment

You are not entitled to abandon your **hardware** whether or not we have taken possession of it.

3. Alteration in risk

Your cover under the policy shall not be invalidated by any act, omission or change in circumstance whereby the risk of **damage** or any other loss covered under the policy has altered either without your knowledge or was beyond your reasonable control, provided that as soon as you (or anyone acting on your behalf) becomes aware of any such alteration, you shall give notice to us in writing immediately. If so, you may be required to pay additional premium and comply with any extra terms and conditions we apply to your policy as a result. This applies to any alteration in risk which arises, whether before or during the **period of insurance**, including before any renewal of your policy.

4. Caring for your hardware

You must:

- make sure that your **hardware** is maintained, inspected and tested as recommended by the manufacturer;
- keep a record of all maintenance and **data** back-up procedures and maintenance carried out, and let us check those records;
- take all reasonable steps and precautions to prevent or reduce **damage** or other loss covered by your policy; and
- not continue to use **hardware** after **damage**, unless we have given our written permission.

If you do not keep to this condition we may cancel your policy (see "Our rights to cancel your policy" on page 5).

5. Contracts (Rights of Third Parties) Act 1999

Any person or company who is not named in the schedule has no right under the Contracts (Rights of Third-Parties) Act 1999 (or any other law) to enforce any term of the policy.

6. Cyber attack limit

The 'Cyber attack limit' is the most we will pay in total for the **period of insurance**, regardless of the number of **occurrences**, claims or claimants, for all claims, costs or losses that are the result of **cyber attack**. The 'Cyber attack limit' is shown in the schedule and will be reduced by any amounts we have already paid for claims, costs or losses arising from **cyber attack** in the **period of insurance**.

The most we will pay under any section of your policy for each **occurrence**, or under section 4 - 'Cyber liability' for all claims we accept that arose from one **occurrence** and are the result of **cyber attack**, is:

- the total of the **sums insured** or **limits of liability** and any 'Extra cover limits' for the section (as long as the section or the extra cover is relevant to a claim); or
- the 'Cyber attack limit' (as reduced by any amount previously paid);

whichever is lower.

7. Data backup

You must back up original **data** at the frequency shown in the schedule for 'Data backup'.

If a **service provider** processes or stores **data** for you, you must make sure that the terms of the contract between you and the **service provider** allow **data** to be backed up in line with this condition.

You must take precautions to make sure that all **data** is stored safely.

If you have failed to keep to this condition, we may still pay a claim if you can show that formal procedures are in place to keep to this condition and that the failure was an accidental oversight or as a result of circumstances beyond your control.

8. Defence software

Your **computer system** must be protected by a virus-protection software package which is:

- licensed to you;
- paid for and not freely available; and
- updated within the frequency shown against 'Defence software update' in the schedule.

Your **computer system** must also be protected by a firewall on all external gateways to the internet, and that firewall must be maintained.

9. More than one insured

If more than one insured is named in the schedule, the first named insured will receive all notices and agree any changes to the policy and will be treated as acting for all the named insureds. We will not remove any named insured without their permission.

For any claim, the total amount we will pay will not be more than the **sum insured** or **limit of liability**, regardless of the number of people or organisations insured by the policy.

General conditions

10. Paying the premium

You must pay the premium on or before the start of the **period of insurance** or on dates agreed by us.

If you do not pay a premium on time, we may cancel the policy (see 'Our rights to cancel your policy' on page 5).

11. Right to survey and request risk improvements

If we ask you must provide us with access to your **insured location** at an agreed date and time to undertake a risk survey.

Following the survey in the event that full co-operation is not provided to ensure that the surveyor is given full access to the **insured location** in order to undertake a risk survey we reserve the right to:

- cancel the policy with immediate effect (see 'Our rights to cancel your policy' on page 5);
- alter the premium; and/or
- alter the terms and conditions of the policy.

If the premium and/or terms and conditions are altered you will have 14 days to accept or reject the alterations. If you choose to reject the alterations or we cancel your policy and you have not made a claim we will refund a percentage of the premium based on the number of days left in the **period of insurance**. If you have made a claim you will not get a refund and you must pay us any amount you still owe for the period you have been insured for.

In the event that risk improvement requirements are recommended by the surveyor, we will provide you with a detailed list of these risk improvements in writing and the timescales within which they must be completed. It is a **condition precedent** to our liability under the policy that you comply with all risk improvement requirements we request following any survey. If you do not complete these risk improvement requirements within the set timescales then all cover under the policy will be cancelled automatically and remain inoperative unless we otherwise agree in writing:

- to waive the risk improvement requirement and leave the premium, terms and conditions unaltered; or
- to an extension of the set timescales to have the risk improvement requirement completed.

All other terms and conditions of the policy continue unless otherwise agreed by us in writing.

12. Tax

Any claim we pay will not include VAT, unless you cannot recover part or all of the VAT you have paid.

General exclusions

The following exclusions apply to the whole of your policy.

We will not pay for any claim, cost or loss caused by or resulting from the following.

1. Authority actions

Any action or prosecution against you by any statutory or local government agency, body or authority or professional or trade licensing organisation acting in its regulatory or official capacity.

2. Bodily injury

Any actual or alleged personal injury suffered by any person including bodily injury, psychological harm, emotional distress, anguish, trauma, illness, an ailment or death.

This exclusion shall not apply in respect of **damages** and **defence costs** for psychological harm, mental anguish or emotional distress arising from a claim under Section 4 - Cyber liability.

3. Circumstances before your policy started

- Circumstances which existed before any cover provided by your policy started, and which you knew about.
- Claims or circumstances which you have already reported, or which you should have reported, to a previous insurer before the **period of insurance**.

4. Confiscation

Your property being confiscated or **damaged** by, or under the order of, any government, public or police authority, other than:

- to protect life or prevent damage to property; or
- as the result of a regulatory investigation after you have failed, or allegedly failed, to keep to your **data privacy obligations**.

5. Excess

The amount shown as the 'Excess' in the schedule.

6. Extortion or ransom

Any extortion, blackmail or ransom payments or demands, other than in connection with cover provided by section 3 - 'Cyber crime'.

7. Fines and penalties

Any fines, penalties, punitive or exemplary damages (extra damages to punish you) other than those specifically covered in section 4 by extra cover 2- 'Fines and penalties'.

8. Indirect loss

Penalties you have to pay under a contract for any delay or in connection with guarantees of performance or efficiency.

9. Infectious agents and pandemics

Any loss, **damage**, cost or expense caused by, either directly or indirectly, in connection with, or any action taken to hinder, defend against or respond to any **infectious agent, pandemic** or **pandemic impact** or the fear or threat (whether actual or perceived) of any **infectious agent, pandemic** or **pandemic impact**.

This exclusion applies regardless of any other cause or event that in anyway contributes concurrently or in any sequence to the loss, cost or expense, and regardless whether or not there is any declaration of an outbreak of a **pandemic** by the World Health Organisation or any authorised national or international body or legal jurisdiction.

10. Intentional acts

Any intentional act, or failure to act, by you or your **directors and officers**, unless the act or failure to act is a measure to prevent or minimise injury, **damage** to your **hardware**, loss of **business income** or a claim for **damages**.

11. Nuclear risks

- Ionising radiation from, or contamination by, radioactivity from any nuclear fuel or nuclear waste, or from burning nuclear fuel.
- The radioactive, toxic, explosive or other dangerous properties of any nuclear installation, reactor or other nuclear equipment, or any nuclear part of them.
- Any weapon or device using atomic or nuclear fission, fusion or similar reaction, or radioactive force or material.
- The radioactive, toxic, explosive or other dangerous properties of any radioactive material.

12. Nuclear sites

Damage caused to or liability arising from **damage** to any:

- nuclear material;
- **hardware** in the high radioactivity zone or area of any nuclear installation; or
- **hardware** at sites or installations directly involved in the production, use or storage of nuclear material.

13. Normal upkeep

The cost of normal **computer system** maintenance.

14. Pollutant and contamination

- the presence of **pollutants** or a **contaminant**; or
- the actual discharge, dispersal, release or escape of **pollutants** or a **contaminant**, or
- any direction or request to test for, monitor, clean up, remove, contain, treat, detoxify, neutralize in any way respond to or assess the effects of **pollutants** or a **contaminant**.

15. Property damage

Any physical **damage** to any tangible property as result of a **cyber event** or **cyber attack**.

16. Sanction limitation

Where by doing so would expose us to any sanction, prohibition or restriction under any United Nations resolutions, or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

17. Telecommunications systems

Atmospheric or environmental conditions causing temporary interference with any satellite signal.

General exclusions

18. Terrorism

- Any **act of terrorism**, regardless of any other cause or event contributing to the **damage**, loss of **business income** or other loss.
- Civil commotion in Northern Ireland.
- Any action taken to control, prevent, suppress or in any way deal with any **act of terrorism**.

In respect of:

- Section 3 – Cyber crime;
- Section 4 – Cyber liability; and
- Section 5 – Data-breach expense;

computer virus, hacking or denial of service attack will not be regarded as an **act of terrorism**.

19. Trading risk

Your commercial decision to stop trading, or the decision of a **service provider**, customer or supplier of yours to stop or reduce trade with you or restrict services.

20. War

Any loss, damage, liability, cost or expense of any kind (together “**loss**”) directly or indirectly occasioned by, happening through or in consequence of **war**, a **cyber operation** or a **cyber action**.

We shall have the burden of proving that this exclusion applies.

*Attribution of a **cyber operation** to a **state**:*

- The primary but not exclusive factor in determining attribution of a **cyber operation** shall be whether the government of the **state** (including its intelligence and security services) in which the **technology system** affected by the **cyber operation** is physically located attributes the **cyber operation** to another **state** or those acting on its behalf.
- Pending attribution by the government of the **state** (including its intelligence and security services) in which the **technology system** affected by the **cyber operation** is physically located, we may rely upon an inference which is objectively reasonable as to attribution of the **cyber operation** to another **state** or those acting on its behalf. It is agreed that during this period no **loss** shall be paid.
- In the event that the government of the **state** (including its intelligence and security services) in which the **technology system** affected by the **cyber operation** is physically located either:
 - takes an unreasonable length of time to; or
 - does not; or
 - declares it is unable to

attribute the **cyber operation** to another **state** or those acting on its behalf, it shall be for us to prove attribution by reference to such other evidence as is available.

*Attribution of a **cyber action**:*

- The primary but not exclusive factor in determining attribution of a **cyber action** shall be statements by widely recognised international bodies (such as the United Nations) or alliances (such as the North Atlantic Treaty Organisation).
- Pending attribution by a widely recognised international body or alliance, we may rely upon an inference which is objectively reasonable as to attribution of the **cyber action** to a **state** or those acting on its behalf. It is agreed that during this period no **loss** shall be paid.
- In the event that the widely recognised international body or alliance:
 - takes an unreasonable length of time to; or
 - does not; or
 - declares it is unable to

attribute the **cyber action** to a **state** or those acting on its behalf, it shall be for us to prove attribution by reference to such other evidence as is available, such as consensus opinion within relevant expert communities, such as the cyber security industry.

21. Wear and tear

Losses due to:

- wear and tear, gradual deterioration or rust;
- scratching or chipping of painted or polished surfaces;
- erosion or corrosion; or
- gradual reduction in performance.

However, we will pay for loss resulting from the causes above which we would otherwise have paid under your policy.

22. Your insolvency or bankruptcy

Any loss, **damage**, liability, cost or expense of whatsoever nature directly or indirectly caused by, resulting from, arising out of or in connection with your insolvency or bankruptcy.

© 2023 HSB Engineering Insurance Limited. All rights reserved.

HSBEI 1253-0923-9

Picture credits: Shutterstock

HSB Engineering Insurance Limited, registered in England and Wales: 02396114, Chancery Place, 50 Brown Street, Manchester M2 2JT. Registered as a branch in Ireland: 906020, 28 Windsor Place, Lower Pembroke Street, Dublin 2. HSB Engineering Insurance Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the United Kingdom, and is authorised and regulated by the Central Bank of Ireland as a third country branch in the Republic of Ireland.

Policy wording reference: POL-UKG-CYB-003-TRA-1.00

www.hsbeil.com



A Munich Re company