

e-MD®/MEDEFENSE® PLUS Insurance Policy
Summary of Changes
(from Lloyd's version P1818CE-0718 to HCC version CBO 1000)

This summary of changes shall not represent a comprehensive explanation of any particular policy provision or coverage component. No coverage is provided by this summary, nor shall it be construed to amend, delete, replace or otherwise alter any policy provisions. Please refer to the policy and review it with your insurance broker or advisor.

GENERAL CHANGES	SUMMARY
Policy Redesign	<ul style="list-style-type: none"> • New Declarations Page • Added a Table of Contents • New outline/layout • Reordering of policy sections
Non-Substantive Changes	Minor, non-substantive changes were made throughout to convert the policy from Lloyd's paper to HCC paper, and new definitions were incorporated into existing provisions, where appropriate. Such changes are not addressed in this document; please refer to the policy for full details.
INSURING AGREEMENTS	SUMMARY
New e-MD Insuring Agreements	<p>The following new e-MD Insuring Agreements have been added to the Policy (formerly available only by endorsement):</p> <ul style="list-style-type: none"> • Bodily Injury Liability Coverage (third party) • Property Damage Liability Coverage (third party) • Bricking Loss Coverage (first party) • Property Damage Loss Coverage (first party).
Addition of Knowledge Date Condition to All e-MD Third Party Liability Insuring Agreements and MEDEFENSE PLUS	All e-MD Third Party Liability Insuring Agreements and MEDEFENSE PLUS now include a condition requiring that no Executive has knowledge of <i>“any circumstance, dispute, situation or incident giving rise to a Claim prior to the Knowledge Date shown in the Policy Declarations”</i> .
Deletion of Retroactive Date Condition from certain First Party Insuring Agreements	<p>The condition requiring events to occur on or after the Retroactive Date has been deleted from the following e-MD Insuring Agreements:</p> <ul style="list-style-type: none"> • Breach Event Costs Coverage • BrandGuard Coverage • Cyber Crime Coverage.
Revisions to BrandGuard Coverage	Clarified the coverage trigger by deleting the requirement that the <i>“Adverse Media Report is first discovered, or Notification occurs during the Policy Period”</i> and replacing it with a requirement that the Brand Loss result from a <i>“Security Breach or Privacy Breach first discovered during the Policy Period”</i> .
Revisions to Cyber Extortion Coverage	Clarified the coverage trigger by replacing the requirement that the Cyber Extortion Threat be <i>“first made against you during the Policy Period”</i> with the requirement that the Cyber Extortion Threat be <i>“first discovered by an Executive during the Policy Period”</i> .
Revisions to Cyber Crime Coverage	<ul style="list-style-type: none"> • Built in Cyber Crime Sublimits, including Client Phishing Fraud Loss Sublimit (formerly, Sublimits were added by endorsement) • Expanded to include Utilities Fraud Coverage (formerly available only by endorsement)
Revisions to MEDEFENSE PLUS	<ul style="list-style-type: none"> • Expanded to include a Damages Sublimit of Liability • Added language to clarify that the obligation to defend any Claim resides solely with the Insured, and a good faith defense is a condition precedent to reimbursement • Added language to clarify that reimbursement applies to actual services rendered; however, actual payment of covered items will not be a condition precedent to reimbursement

DEFENSE PROVISIONS	SUMMARY
Conversion to Reimbursement Coverage in Foreign Jurisdictions	Added provisions for the reimbursement of defense costs incurred in any claim brought or maintained in a foreign jurisdiction where the Company is not permitted to defend such claim.
LIMITS OF LIABILITY	SUMMARY
Additional Defense Costs Limit	Added language to expressly state that the Additional Defense Costs Limit will not apply to the following new e-MD Insuring Agreements: <ul style="list-style-type: none"> Property Damage Liability Coverage Bodily Injury Liability Coverage.
Non-Stacking of Limits	Deleted this provision; will attach Non-Stacking of Limits endorsement when applicable
TERRITORIAL LIMITS	SUMMARY
Clarification of Worldwide Coverage	As to all Insuring Agreements except Property Damage Loss Coverage, language has been added to clarify that the Policy provides worldwide coverage only where legally permissible.
Revisions to address new Property Damage Loss Coverage	Added language to expressly state that Property Damage Loss Coverage applies only to Covered Property and Operations at an Insured Location.
AMENDED DEFINITIONS	SUMMARY
Act of Cyber Terrorism	Revised to clarify coverage intent.
Breach Support and Credit Monitoring Expenses	<ul style="list-style-type: none"> Expanded to include identity and healthcare record monitoring Expanded to include fraud alerts
Claim	Revised to add language pertaining to new insuring agreements.
Damages	Revised to apply separate meanings for "Damages" as to e-MD Insuring Agreements and "Damages" as to the MEDEFENSE PLUS Damages Sublimit of Liability.
Data	Deleted <i>"that is subject to back-up procedures"</i> .
Digital Assets Loss	Expanded to include research costs incurred in recreating Digital Assets.
Financial Fraud	Expanded to apply to <i>"any Financial Account"</i> (previously, this amendment was applied via endorsement).
Financial Fraud Loss	Expanded to add loss incurred to reimburse clients/customers for the theft of their own money or securities as a result of Financial Fraud, if reimbursement is made with the Company's approval (previously, this amendment was applied via endorsement).
First Party Insured Event	Revised to add language pertaining to new Insuring Agreements.
Insured	Revised to incorporate the language contained in the Who Is Insured section of the prior policy form.
Insured Computer System	<ul style="list-style-type: none"> As to Privacy Regulatory Coverage, PCI DSS Liability, Breach Event Costs and Cyber Extortion, the definition has been expanded to include computer systems operated by BPO service providers and Outsourced IT service providers As to Bodily Injury Liability and Property Damage Liability, the definition has been expanded to include Business Equipment but only while owned and operated by the Named Insured or a Subsidiary
Outsourced IT Service Provider	<ul style="list-style-type: none"> Expanded to include Cloud Providers Deleted exclusion of payment processors, security software providers, ISPs, DNS hosting services, domain name registrars and subcontractors
PCI DSS fines and assessments	<ul style="list-style-type: none"> Expanded to include mandatory audit costs Deleted <i>"owed by an Insured under the terms of a Merchant Service Agreement"</i> and replaced with <i>"which an Insured is legally obligated to pay under the terms of a Merchant Service Agreement"</i>
Period of Indemnity	Added language to clarify that the period of indemnity will not be affected by the expiration of the policy period.

Period of Restoration	Added language to clarify that the period of restoration will not be affected by the expiration of the policy period.
Phishing Attack	Deleted the portion of this definition pertaining to Cyber Crime Coverage, as the form now uses Phishing Fraud as the trigger for Cyber Crime Coverage.
Policy Period	Added language to clarify that the policy period does not include any ERP or the 60-day period after the policy expiration date during which claims can be reported.
Privacy Regulations	Expanded to include the California Consumer Privacy Act
Privacy Regulatory Proceeding	Added language to clarify that PCI DSS Demands and TCPA Claims do not constitute Privacy Regulatory Proceedings.
Private Information	Revised for clarification.
Property Damage	As to Bricking Loss Coverage, language has been added to expressly state that the loss of use of hardware/equipment caused by a Bricking Event shall not constitute Property Damage.
Regulatory Fines and Penalties	Added language to clarify that amounts deemed uninsurable under applicable law are expressly excluded.
Security and Privacy Wrongful Act	Revised for clarification.
System Failure	Expanded to include Voluntary Shutdowns and administrative or programming errors as coverage triggers.
Voluntary Self-Disclosure	Revised to clarify that the information disclosed must have become known to the Insured “subsequent to the Knowledge Date stated in the Declarations of this Policy” rather than “subsequent to the initial effective date of this insurance” .
Wrongful Act	Revised to add language pertaining to new insuring agreements.
NEW DEFINITIONS	SUMMARY
	<p>The following definitions have been added to the new policy form:</p> <ul style="list-style-type: none"> • Actual Cash Value • Bodily Injury Claim • Bodily Injury Wrongful Act • Bricking Event • Bricking Loss • Business Equipment • Client Account • Client Phishing Fraud • Client Phishing Fraud Loss • Cloud Provider • Covered Property • Crypto-jacking • Escrow Account • Financial Account • Insured Location • Occurrence • Operations • Phishing Fraud • Products • Property Damage Claim • Property Damage Wrongful Act • Regulatory Authority • Utilities Fraud • Utilities Fraud Loss • Voluntary Shutdown • Your Phishing Fraud Loss.

DELETED DEFINITIONS	SUMMARY
	<p>The following definitions have not been added to the new policy form:</p> <ul style="list-style-type: none"> • Act of Terrorism • Extended Reporting Period • Kinetic Military Action • Phishing Attack Loss • Retention • Retroactive Date.
AMENDED EXCLUSIONS	SUMMARY OF CHANGES
General Clarifications	<p>The following exclusions have been revised for clarification of coverage intent:</p> <ul style="list-style-type: none"> • Insured vs. Insured: clarified the language of the existing exceptions • Intentional acts: clarified the language of the existing exceptions; also deleted the “employee sabotage” exception (intent is to provide same cover via innocent insured exception) • Breach of contract: clarified the exception for any liability or obligation an Insured would have in the absence of such contract • Liability assumed under contract: clarified the exception for any liability or obligation an Insured would have in the absence of such contract • FTC, FCC or SEC enforcement: clarified the language of the existing exception • Employment practices: clarified the language of the existing exception • ERISA/pension fund violations: clarified the language of the existing exception.
Bodily Injury/Property Damage	Added an exception for Bodily Injury Claims, Property Damage Claims and Occurrences under the first party Property Damage Loss Coverage.
Pollution	Added an exception for Bodily Injury Claims and Property Damage Claims.
Violation of Securities Laws	Added an exception for any Privacy Regulatory Proceeding or Security and Privacy Liability claim alleging violation of SEC Regulation S-P or similar rules or regulations under securities laws concerning the security, access or use of private information obtained in a securities transaction.
War/Civil War	<ul style="list-style-type: none"> • Removed reference to Kinetic Military Action • Added an exception for Acts of Cyber Terrorism
Natural Disasters/Physical Events	Added an exception for Occurrences under the first party Property Damage Loss Coverage.
NEW EXCLUSIONS	SUMMARY OF CHANGES
	As to all Insuring Agreements, added an exclusion for the cessation of business activities due to a shutdown by order of any public authority for whatever reason.
	As to all e-MD First Party Insuring Agreements, added an exclusion for business interruption loss or costs/expenses resulting from lost productivity, including the throttling or capping of bandwidth by an internet or mobile data service provider, due to utilities fraud.
	As to Bodily Injury Liability Coverage and Property Damage Liability Coverage, added an exclusion for any actual or alleged warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of products, or the providing of, or failure to provide, warnings or instructions for products.

	<p>As to Property Damage Loss Coverage, added the following exclusions:</p> <ul style="list-style-type: none"> • Any amounts covered in whole or in part under other insurance • Costs to upgrade, redesign, reconfigure or maintain an insured computer system to a level of functionality beyond that which existed prior to a hacking attack • Loss of market or loss of use • Loss, damage or deterioration resulting from delays • Loss, damage, cost or expenses caused by or resulting from malicious use of pathogenic or poisonous biological or chemical materials • Loss resulting from the lack of specified utilities or services; however, there is an exception for outages to such specified utilities or services if under the Named Insured's (or a Subsidiary's) direct operational control, and the outage is caused by a hacking attack • Loss resulting from damage caused by changes in temperature or humidity.
DELETED EXCLUSIONS	SUMMARY
	Prior knowledge (this exclusion was not added to the new policy form for consistency with the updates made to the e-MD Third Party Liability Insuring Agreements and MEDEFENSE PLUS)
	Bankruptcy and insolvency
	Acts of terrorism
	Gambling, pornography, prizes, awards or coupons
	The sale or provision of prohibited, restricted or regulated items such as alcohol, tobacco or drugs
	The theft of money, securities or other property belonging to a third party (Cyber Crime exclusion)
AMENDED POLICY SECTIONS	SUMMARY
Extended Reporting Period (ERP)	Now requires payment of ERP premium within 30 days from the Named Insured's written request to bind ERP coverage (previously, the request to purchase ERP coverage and premium payment were both due within 30 days of the policy expiration date).
Notice Provisions	<p>This clause has been renamed as "Notification" with the following updates:</p> <ul style="list-style-type: none"> • Consolidated notice requirements for all e-MD Insuring Agreements, except BrandGuard and Property Damage Loss Coverage, into one section • Added a new section called "Notice Provisions as to BrandGuard Coverage" • Added a new section called "Notice Provisions as to Property Damage Loss Coverage" • Clarified that the Notice of Potential Claim provisions apply only to potential claims under the e-MD Third Party Liability Insuring Agreements and MEDEFENSE PLUS.
Other Insurance	Added a new section called "Contingent Insurance – Property Damage Loss Coverage" which states that such coverage applies only in the absence of other valid and collectible insurance.
Cancellation by the Named Insured and Cancellation by the Underwriters	<p>These clauses have been consolidated into one section called "Cancellation" with the following updates:</p> <ul style="list-style-type: none"> • Removed the language providing for no return premium if a claim or potential claim is reported • Increased notice period if the Company cancels for any reason other non-payment of premium from 30 days to 60 days.

Created or Acquired Subsidiaries	<p>This clause has been moved into a new section called “Material Changes” with the following updates:</p> <ul style="list-style-type: none"> • Clarified that coverage for acquired or created subsidiaries with revenues below the 30% threshold will be automatically included as Insureds “for the duration of the policy period” • Increased the period of automatic coverage for acquired or created subsidiaries with revenues exceeding the 30% threshold from 60 days to 90 days; also added language to reinforce that the Company has the option to provide coverage beyond 90 days if notice is provided to the Company within 60 days AND the Named Insured accepts any terms, conditions, exclusions, limitations and additional premium, if any, imposed by the Company • Added provisions to clarify that the Policy shall not apply to acts or events occurring before the creation or acquisition of a Subsidiary.
Coverage in the Event of a Takeover and Change of Control Extended Reporting Period (ERP)	Now requires payment of Change of Control ERP premium within 30 days from the Named Insured’s written request to bind Change of Control ERP coverage (previously, the request to purchase Change of Control ERP coverage and premium payment were both due within 30 days of the policy expiration date).
NEW POLICY SECTIONS	SUMMARY
	Property Damage Loss Adjustment and Settlement
	Conditions as to Property Damage Loss Coverage
	<p>The following new Policy Conditions have been added:</p> <ul style="list-style-type: none"> • Non-Renewal • Action Against the Company • Authorization Clause • Representations (replaces Warranty by the Named Insured) • Bankruptcy or Insolvency • Office of Foreign Assets Control • Headings (replaces Words and Titles of Paragraphs) • Policy Conformance.
	Material Changes – new section to incorporate Created or Acquired Subsidiaries and Sold Subsidiaries provisions from the prior policy form
	Currency and Payments
DELETED POLICY SECTIONS	SUMMARY
Who is Insured	Deleted this policy section in its entirety and incorporated the existing language into the definition of “Insured” with no material changes.
Innocent Insured Provision	Deleted this policy section in its entirety.
Words and Titles of Paragraphs	Deleted this policy section in its entirety; replaced with a new policy section called “Headings”.
Service of Suit	Deleted this policy section in its entirety; a TMHCC Service of Suit clause will be added by endorsement.
Warranty by the Named Insured	<p>Deleted this policy section in its entirety; replaced with the following new Conditions:</p> <ul style="list-style-type: none"> • Representations • Entire Agreement.