

**NetGuard Select Insurance Policy
Summary of Changes
(from Lloyd's version P1856NGSLT-1019 to HCC version NGS 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. Changes that are not intended to materially alter the intent of coverage will not be specifically addressed in this document; please refer to the policy for full details.
INSURING AGREEMENTS	SUMMARY
Addition of Knowledge Date Condition to Security and Privacy Liability Insuring Agreement	The Security and Privacy Liability Insuring Agreement now includes a condition requiring that the Insured has no knowledge of <i>"any circumstance, dispute, situation or incident giving rise to the Claim prior to the Knowledge Date shown in the Policy Declarations"</i> .
Revisions to Data Recovery Coverage	<ul style="list-style-type: none"> Coverage trigger changed from "Covered Cause of Loss" to "System Failure"; Added a condition requiring the Insured to submit clear evidence of a loss directly resulting from a System Failure
Revisions to Cyber Extortion Coverage	Clarified the coverage trigger by replacing the requirement that the Cyber Extortion Threat be <i>"made against you during the Policy Period"</i> with the requirement that the Cyber Extortion Threat be <i>"first discovered by an Insured during the Policy Period"</i> .
DEFENSE, SETTLEMENT AND INVESTIGATION PROVISIONS	SUMMARY
New "Defense Provisions" Section	New section clarifies that defense provisions apply to Security and Privacy Liability Coverage only.
New "Consent to Settlement Provisions" Section	<ul style="list-style-type: none"> New section clarifies that settlement provisions apply only to Security and Privacy Liability Coverage; Consent to Settlement clause changed from 50/50 split to 70 (Company)/30 (Insured) split; Added language to clarify that the 70/30 Consent to Settlement provisions will not apply to any settlement where the total incurred Defense Costs and Damages do not exceed the applicable Deductible
New "Choice of Counsel" Section	New section applicable to all Insuring Agreements clarifies that a) the Company has final decision on selection of counsel, and b) the Company has no obligation to pay amounts incurred without approval or incurred prior to claim notice.
New "Investigation" Section	New title/heading only; no material change in the investigation clause.

LIMITS OF LIABILITY	SUMMARY
New "Limits per Insuring Agreement" Section	<ul style="list-style-type: none"> • New title/heading; • Added provisions to clarify that the Company's obligations under any individual Insuring Agreement ends when the applicable Limit is exhausted
New "Maximum Policy Aggregate" Section	New title/heading only; no material change in the operation of the Maximum Policy Aggregate Limit.
New "Related Claims" Section	<ul style="list-style-type: none"> • New title/heading; • Revised to clarify that multiple claims arising out of the same or related event will be treated as one claim
DEDUCTIBLE	SUMMARY
Deductible provisions	<ul style="list-style-type: none"> • Replaced "retention" with "Deductible"; • Added provisions to clarify that the Limit of Liability will not be reduced by the amount of any Deductible
TERRITORIAL LIMITS	SUMMARY
Clarification of Worldwide Coverage	As to all Insuring Agreements, language has been added to clarify that the Policy provides worldwide coverage only where legally permissible.
AMENDED DEFINITIONS	SUMMARY
Act of Cyber Terrorism	Revised to clarify coverage intent.
Application	<ul style="list-style-type: none"> • Revised to include "supplemental applications"; • Revised to insert the word "direct" before "renewal or replacement" to clarify intent relating to continuity of coverage
Breach Support and Credit Monitoring Expenses	<ul style="list-style-type: none"> • Expanded to include identity and healthcare record monitoring, fraud alerts and identity repair and restoration services; • Expanded to cover 24 months of credit monitoring (increased from 12 months); • Added a requirement that expenses be incurred with the Company's approval
Claim	<ul style="list-style-type: none"> • Revised to state that written notice of any claim under the First Party Insuring Agreements can be submitted by an Insured or an Insured's representatives; • Added language to clarify that a claim under Security and Privacy Liability will be deemed to be first made when any Insured first receives written notice of such claim; • Added language to clarify that a claim under any First Party Insuring Agreement will be deemed to be first made when the Company first receives written notice of such claim
Computer System	Revised to include "smart devices"
Cyber Extortion Threat	<ul style="list-style-type: none"> • Revised to include a threat to "<i>steal, reveal or publicly disclose</i>" private information of third parties; • Revised to add express coverage for a threat to infect an insured system with ransomware; • Revised to clarify that coverage applies to a threat to perpetrate or carry out a phishing attack; • Revised to add express coverage for a threat to steal, alter, reveal, publicly disclose, or misuse the insured's own private information;
Damages	<ul style="list-style-type: none"> • Revised to add coverage for awarded attorneys' fees and costs and liquidated damages to the extent insurable; • Deleted Most Favorable Law provisions (this is now a separate section under the policy)

Data	Deleted <i>“that is subject to back-up procedures”</i> .
Digital Assets Loss	<ul style="list-style-type: none"> Expanded to include research costs incurred in recreating Digital Assets; Revised to delete all excluded items (this language is now built into Section VIII. Exclusions as to All First Party Insuring Agreements and Section IX. Exclusions as to Data Recovery Coverage)
Financial Fraud	<p>Clarified the following coverage triggers:</p> <ul style="list-style-type: none"> Replaced <i>“the theft of money or securities from your bank account or your personal credit cards by <u>electronic means</u>”</i> with <i>“the theft of money or securities from your bank account or your personal credit cards <u>as a result of a hacking attack</u>”</i>; Replaced <i>“the theft of cryptocurrency from your cryptocurrency wallet as a result of a <u>security breach</u>”</i> with <i>“the theft of cryptocurrency from your cryptocurrency wallet as a result of a <u>hacking attack</u>”</i>
First Party Insured Event	As to Data Recovery Coverage, replaced <i>“covered cause of loss”</i> with <i>“system failure”</i> .
Insured Computer System	As to Cyber Extortion Coverage, expanded to include a system operated by any Outsourced IT Service Provider; prior form applied Cyber Extortion Coverage to systems operated by cloud providers.
Notification Expenses	<ul style="list-style-type: none"> Clarified covered items to include printing costs and mailing expenses; Deleted requirement that notification expenses must be incurred with our prior written consent
Outsourced IT Service Provider	<ul style="list-style-type: none"> Revised to replace <i>“independent contractor”</i> with <i>“third party”</i> Expanded to expressly include Cloud Providers
Personally Identifiable Information	Expanded to include <i>“including, but not limited to, financial account numbers, security codes, personal identification numbers (PINs), credit and debit card numbers, medical or healthcare information, social security numbers, driver’s license numbers, addresses, passwords, and any other non-public information”</i> .
Phishing Attack	<ul style="list-style-type: none"> Revised to clarify that the attack must be committed by a <i>“third party”</i>; Revised to replace <i>“the use of fraudulent electronic communications or malicious websites”</i> with <i>“the use of fraudulent <u>and intentionally misleading telephone calls, emails, texts, instant messages or other electronic communications or malicious websites</u>”</i>
Policy Period	Added language to clarify that the policy period does not include the 60-day period after the policy expiration date during which claims can be reported.
Privacy Breach	<ul style="list-style-type: none"> Expanded to include the theft of private information stored on an Insured’s unsecured data storage or mobile device (e.g., smartphones, tablets and laptops) as a coverage trigger; Revised to replace <i>“the surrender of private information <u>as a result of false communications or social engineering techniques</u>”</i> with <i>“the surrender of private information <u>in a Phishing Attack</u>”</i>

Security and Privacy Wrongful Act	To clarify coverage intent under Security and Privacy Liability: <ul style="list-style-type: none"> Deleted all coverage for liability resulting from the alteration, copying, corruption, destruction, deletion or damage of data; theft, loss or unauthorized disclosure of private information in your care, custody or control, or in the care, custody or control of an Outsourced IT Service Provider; or unauthorized access/use of any third party computer system; Added coverage for failure to timely disclose a privacy breach
Security Breach	<ul style="list-style-type: none"> Expanded to include the physical theft or loss of a data storage device or mobile device as a coverage trigger; Incorporated new definition of “hacking attack”.
Special Expenses	<ul style="list-style-type: none"> Deleted coverage for costs/expenses to notify affected individuals of a total or partial interruption, degradation of service or failure of an insured computer system in order to clarify coverage intent under Data Recovery Costs Coverage; Revised to delete all excluded items (this language is now built into Section VIII. Exclusions as to All First Party Insuring Agreements and Section IX. Exclusions as to Data Recovery Coverage)
NEW DEFINITIONS	SUMMARY
	The following definitions have been added to the new policy form: <ul style="list-style-type: none"> Approval Cloud Provider (replaces “Cloud Computing Service Provider”) Defense Costs (replaces “Claim Expenses”) Hacking Attack System Failure (replaces “Covered Cause of Loss”) Third Party Unauthorized Trading
DELETED DEFINITIONS	SUMMARY
	The following definitions are no longer used in the new policy form: <ul style="list-style-type: none"> Act of Terrorism Claim Expenses (replaced by “Defense Costs”) Cloud Computing Service Provider (replaced by “Cloud Provider”) Computer Hardware Computer Program Computer Virus Covered Cause of Loss (replaced by “System Failure”) Delivered Programs Electronic Media Firmware Internet Malicious Code Retention (replaced by “Deductible”) Retroactive Date Unauthorized Access Unauthorized Use
AMENDED EXCLUSIONS	SUMMARY OF CHANGES
Various exclusions editorially revised	<ul style="list-style-type: none"> Reorganized exclusions into multiple sections – general exclusions (applicable to all Insuring Agreements) and exclusions relating to specific Insuring Agreements

	<ul style="list-style-type: none"> Renumbered exclusions and incorporated new defined terms, as applicable
Intentional Acts	<ul style="list-style-type: none"> Added “non-appealable” to final adjudication language Clarified the existing exception
Bodily Injury/Property Damage	<ul style="list-style-type: none"> Combined BI and PD exclusions into one exclusion Replaced “based upon, arising from, or in any way involving” with “for”
Infrastructure Failures	Clarified intent of the exclusion; now excludes electrical failures and regional, countrywide or global outages to utilities or infrastructure.
Natural Disasters/Physical Events	Limited exclusion to apply to First Party Insuring Agreements only.
Breach of Contract	<ul style="list-style-type: none"> Clarified the exception for any liability or obligation an Insured would have in the absence of such contract; Added an exception under Security & Privacy Liability Coverage for unintentional breach of the provisions of an NDA relating to the confidentiality of private information
Liability Assumed Under Contract	Clarified the exception for any liability or obligation an Insured would have in the absence of such contract.
Unauthorized Trading	Removed definition of “Unauthorized Trading” and incorporated it into the Definitions section.
Violation of Securities Laws	Incorporated the language of prior policy form’s exclusion 18 (loss of value of any securities)
War/Civil War	<ul style="list-style-type: none"> Deleted reference to act of terrorism Added an exception for Acts of Cyber Terrorism
NEW EXCLUSIONS	SUMMARY OF CHANGES
New “Exclusions as to all First Party Insuring Agreements” Section	<p>As to all First Party Insuring Agreements, incorporated the following exclusions, which were previously contained in the prior policy form’s definitions of Digital Assets Loss and Special Expenses:</p> <ul style="list-style-type: none"> Any liability to any third party for whatever reason, including contractual penalties, damages or legal costs and expenses of any type; Sanctions, fines or penalties imposed by law; Any claim caused by natural disasters/physical events
New “Exclusions as to Data Recovery Coverage” Section	<p>As to Data Recovery Coverage, incorporated the following exclusions, which were previously contained in the prior form’s definitions of Digital Assets Loss and Special Expenses:</p> <ul style="list-style-type: none"> the cost of restoring, updating or replacing Digital Assets to a level beyond that which existed prior to the System Failure. physical damage to, or the costs to repair or replace, any computer hardware or Data center. the economic or market value of Digital Assets. the costs or expenses incurred to identify, patch or remediate software Programming Errors or Computer System vulnerabilities. the cost to upgrade, improve, repair, redesign, reconfigure or maintain an Insured Computer System to a level of functionality beyond that which existed prior to the System Failure the cost of restoring, replacing or repairing any electronic media.
New “Exclusions as to Cyber Crime Coverage” Section	As to Cyber Crime Coverage, added all exclusions from exclusion 38 of the prior policy form, in addition to the following new exclusions:

	<ul style="list-style-type: none"> Loss of Other Property arising out of the fraudulent use of a credit or debit card; Any claim arising from any fraudulent instruction if the sender, or any person/organization acting in collusion with the sender, had access to the Insured's password, PIN, or other security code; contains an exception for financial fraud loss resulting from a phishing attack.
DELETED EXCLUSIONS	SUMMARY
	Security and privacy wrongful acts occurring prior to the retroactive date (the Security and Privacy Liability Insuring Agreement requires acts to occur on or after the retroactive date as a condition of coverage)
	Prior knowledge (the Security and Privacy Liability Insuring Agreement now contains a condition of coverage pertaining to prior awareness of events/incidents leading to a claim)
	Bankruptcy and insolvency
	Property damage (incorporated into Bodily Injury exclusion)
	Wear and tear, aging of electronic equipment or computer hardware
	Failure of overhead transmission and distribution lines
	Gradual deterioration of subterranean insulation
	Loss of value of securities (incorporated into securities exclusion)
	RICO
	Workers' Compensation Laws
	Labor strikes or similar actions
	Asbestos
	Mold
	Electromagnetic fields
	Nuclear waste
AMENDED POLICY SECTIONS	SUMMARY
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 Insuring Agreements into one section Revised to clarify that notice should be made <i>"as soon as practicable during the policy period, but no later than 60 days after policy expiration"</i> Clarified the Notice of Potential Claim provisions to state that circumstance reporting is optional
Assistance and Cooperation	<ul style="list-style-type: none"> Revised to make assistance and cooperation a condition of coverage Now states that Insureds must not increase the Company's exposure
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"> Deleted 25% minimum earned premium 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.

NEW POLICY SECTIONS	SUMMARY
	<p>The following new Policy Conditions/Policy Sections have been added:</p> <ul style="list-style-type: none"> • Non-Renewal • Most Favorable Law • 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 • Currency and Payments
DELETED POLICY SECTIONS	SUMMARY
Words and Titles of Paragraphs	Deleted this policy section in its entirety and replaced it with a new policy section called "Headings".
Service of Suit Clause	Deleted this policy section in its entirety; a TMHCC Service of Suit clause will be added by endorsement.
Warranty by the Named Insured	Deleted this policy section in its entirety and replaced it with new Conditions called "Representations".