

Endorsement #



DATA BREACH EXPENSES ENDORSEMENT

Policy No.	Eff. Date of Pol.	Exp. Date of Pol.	Eff. Date of End.	Add'l Prem.	Return Prem.

The premium for this endorsement is included in the premium shown on the declarations unless a specific amount is shown here.

Named Insured and Mailing Address:

Producer:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

In consideration of the premium charged, I. **COVERAGE**, is amended by adding the following:

DATA BREACH EXPENSES

We will pay **Data Breach Expenses** on behalf of the insured resulting from a **Privacy Violation** or a violation of a **Privacy Regulation** as a result of a breach or potential breach of the **Insured's** network security, through hacking, mismanagement, loss, unauthorized exposure or theft of **Personal Information**, computer hardware, software or personal digital assistant.

We do not assume any duty to defend under this coverage.

The **Data Breach Expenses** limit shown below is the most we will pay for **Data Breach Expenses** for a **Privacy Violation** or a violation of a **Privacy Regulation** as a result of a breach of the **Insured's** network security. The policy aggregate **Data Breach Expenses** limit shown below is the maximum amount we will pay for all **Data Breach Expenses**.

The **Data Breach Expenses** limit is part of, and not in addition to, the per claim and aggregate limits specified in the declarations.

The deductible shown on the declarations page does not apply to **Data Breach Expenses**.

Policy Aggregate Data Breach Expenses Limit: \$25,000

Data Breach Expenses Per Claim Limit: \$25,000

In consideration of the premium charged, **VIII. DEFINITIONS** is amended by adding the following definitions:

“Data Breach Expenses” mean the following necessary and reasonable expenses paid by the **Insured**, with The Company’s prior written consent, for purposes of complying with or evaluating compliance with a **Breach Notice Law**:

1. fees for an attorney selected by The Company to determine whether any **Breach Notice Law(s)** are implicated by the data exposure event and the obligations imposed by any such applicable laws, and assist the **Insured** to comply with such laws, including but not limited to drafting notice letters, coordinating investigations with IT professionals and criminal investigators, and coordinating communications with state and federal regulators; and
2. if deemed necessary by a breach coach selected by The Company, fees for a third party professional to be selected by The Company to:
 - a. conduct an investigation to identify the **Personal Information** that was impacted by the applicable breach of the **Insured’s** network security, and determine the extent to which such information was exposed to or accessed by a malicious or unauthorized third party;
 - b. send the notices required by any applicable **Breach Notice Law**;
 - c. set up and manage a call center to provide information about the breach of the **Insured’s** network security to individuals that were affected.
3. Expenses that are the direct result of a **Privacy Violation** or violation or suspected violation of the **Privacy Regulation** as a result of a breach of the Insured’s network security that exposed **Personal Information** and is required to be reported under a **Breach Notice Law**; including costs to provide notification in other states where reasonably necessary, and, for the purpose of mitigating potential damages resulting from any breach of the **Insured’s** network security or **Privacy Violation**. Such notification will be made solely with our prior written consent. Our consent will not be unreasonably withheld

“Data Breach Expenses” do not include any:

1. compensation, internal expenses or overhead of any **Insured**; or
2. payments made as compensation for any injury or **Damages** and/or for **Claim Expenses** resulting from a **Claim** arising out of any **Privacy Violation** or violation of the **Privacy Regulation** as a result of a breach of the **Insured’s** network security.
3. costs associated with replacing, repairing or improving any network, computer hardware or software.

“Breach Notice Law” means any local, state, federal or foreign law requiring notice to individuals whose **Personal Information** was, or is reasonably believed to have been, accessed by, or exposed to, a malicious third party or unauthorized person(s).

“Personal Information” also sometimes referred to as Personally Identifiable Information, means an individual’s name in combination with any one or more of the following:

1. social security number;

2. medical or healthcare data, or other protected health information as defined in the health Insurance Portability and Accountability Act of 1996 (Public Law 104-191);
3. driver's license number or state, federal or other government issued identification number;
4. account number, credit card number or debit card number in combination with any required security code if needed, access code or password that would permit access to that individual's financial account; or
5. other nonpublic **Personal Information** as defined in a **Privacy Regulation**.

"Privacy Regulation" means the following statutes and regulations associated with the control and use of personally identifiable financial, medical or other sensitive information:

1. Health Insurance Portability and Accountability Act of 1996 (Public Law 104-191) and amendments thereto, including but not limited to the Health Information Technology for Economic and Clinical Health Act (HITECH Act), part of the American Recovery and Reinvestment Act of 2009 (ARRA);
2. Gramm-Leach-Bliley Act of 1999;
3. the California Security Breach Notification Act (CA SB 1386) and all similar state notification laws; and
4. other similar state, federal, and foreign identity theft, breach notification, and information and privacy protection legislation that requires commercial and/or governmental entities that collect **Personal Information** to post privacy policies, adopt specific privacy controls, or notify individuals in the event that **Personal Information** has potentially been compromised.

"Privacy Violation" means any:

1. theft or unauthorized access to, use of, acquisition of, or disclosure of **Personal Information** while in the care, custody or control of an **Insured**; or
2. violation or potential violation of a **Privacy Regulation**.

In the event of a potential or known **Privacy Violation**, please note that as an **Insured** you are entitled to the consultation services of a breach coach from the law firm of Nelson Levine de Luca & Horst. Please contact John Mullen, Esq. of the Nelson firm at 215.358.5100 or jmullen@nldhlaw.com if you have any questions regarding your **Data Breach Expenses** coverage.

This endorsement amends sections **I. COVERAGE** and **VIII. DEFINITIONS** of the underlying Lawyers Professional and Liability Policy. All other terms and conditions of the underlying policy are unchanged and this endorsement does not alter or expand the policy in any way except as expressly provided above.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

Date Issued:

Authorized Representative