



1200 E Glen Avenue
Peoria Heights, IL 61616-5348
pearlinsurance.com



May 24, 2023

Daryl Zipp
TX P Realty, LLC
3834 Deerfield Dr

San Antonio, TX 78218-2414

RE: REAL ESTATE ERRORS & OMISSIONS POLICY
Policy No.: PEG9163260-13
Effective Date: 05/27/2023

Dear Daryl,

Thank you for allowing Pearl Insurance to administer your Real Estate Errors & Omissions insurance policy. It's been such a pleasure working with you throughout this process! Please take a moment to review the enclosed E&O policy carefully, giving special attention to the Insuring Agreements and Exclusions, so we can make certain you are satisfied with your E&O Insurance.

Please remember that if you become aware of a claim or possible claim, it's imperative you report it promptly to AXA XL Insurance using the enclosed claim/incident reporting form. If you have any questions regarding claims—or require assistance in determining if a situation is a claim or just an incident—you may speak to a Claims Specialist at the **AXA XL Claim Helpline at 877.791.3777**.

Allow us to assist you in any way we can—if you have any questions regarding this policy, please do not hesitate to call us directly at 1-800-289-8170.

Sincerely,

Pearl Insurance

***Thank You —Your
Errors & Omissions
policy is enclosed!!***

P.S. Call us today to learn about our entire line of innovative insurance solutions, including Bonds, Title Coverage, Property & General Liability, Worker's Compensation, and more!

NOTICE TO POLICYHOLDERS

PRODUCER COMPENSATION NOTICE

Dear Policyholder:

On the declaration page of your insurance policy you will find important information about your insurance coverage, including the policy premium. AXA XL believes that it is important for policyholders to know that the insurance premium you pay for this policy includes not only the cost for the insurance provided by AXA XL but it may also include the compensation we may pay to the insurance producer who has arranged for the placement of your insurance with AXA XL.

We at AXA XL are committed to full transparency concerning the amount of premium allocated to insurance producer compensation. In the event that you have a question about the amount of compensation paid to the insurance producer for your insurance policy, we encourage you to contact your insurance producer.

Thank you for insuring with AXA XL.

NOTICE TO POLICYHOLDERS

PRIVACY POLICY

The AXA XL insurance group (the “Companies”), believes personal information that we collect about our customers, potential customers, and proposed insureds (referred to collectively in this Privacy Policy as “customers”) must be treated with the highest degree of confidentiality. For this reason and in compliance with the Title V of the Gramm-Leach-Bliley Act (“GLBA”), we have developed a Privacy Policy that applies to all of our companies. For purposes of our Privacy Policy, the term “personal information” includes all information we obtain about a customer and maintain in a personally identifiable way. In order to assure the confidentiality of the personal information we collect and in order to comply with applicable laws, all individuals with access to personal information about our customers are required to follow this policy.

Our Privacy Promise

Your privacy and the confidentiality of your business records are important to us. Information and the analysis of information is essential to the business of insurance and critical to our ability to provide to you excellent, cost-effective service and products. We understand that gaining and keeping your trust depends upon the security and integrity of our records concerning you. Accordingly, we promise that:

1. We will follow strict standards of security and confidentiality to protect any information you share with us or information that we receive about you;
2. We will verify and exchange information regarding your credit and financial status only for the purposes of underwriting, policy administration, or risk management and only with reputable references and clearinghouse services;
3. We will not collect and use information about you and your business other than the minimum amount of information necessary to advise you about and deliver to you excellent service and products and to administer our business;
4. We will train our employees to handle information about you or your business in a secure and confidential manner and only permit employees authorized to use such information to have access to such information;
5. We will not disclose information about you or your business to any organization outside the AXA XL insurance group of Companies or to third party service providers unless we disclose to you our intent to do so or we are required to do so by law;
6. We will not disclose medical information about you, your employees, or any claimants under any policy of insurance, unless you provide us with written authorization to do so, or unless the disclosure is for any specific business exception provided in the law;
7. We will attempt, with your help, to keep our records regarding you and your business complete and accurate, and will advise you how and where to access your account information (unless prohibited by law), and will advise you how to correct errors or make changes to that information; and
8. We will audit and assess our operations, personnel and third party service providers to assure that your privacy is respected.

Collection and Sources of Information

We collect from a customer or potential customer only the personal information that is necessary for (a) determining eligibility for the product or service sought by the customer, (b) administering the product or service obtained, and (c) advising the customer about our products and services. The information we collect generally comes from the following sources:

- Submission – During the submission process, you provide us with information about you and your business, such as your name, address, phone number, e-mail address, and other types of personal identification information;
- Quotes – We collect information to enable us to determine your eligibility for the particular insurance product and to determine the cost of such insurance to you. The information we collect will vary with the type of insurance you seek;

NOTICE TO POLICYHOLDERS

- Transactions – We will maintain records of all transactions with us, our affiliates, and our third party service providers, including your insurance coverage selections, premiums, billing and payment information, claims history, and other information related to your account;
- Claims – If you obtain insurance from us, we will maintain records related to any claims that may be made under your policies. The investigation of a claim necessarily involves collection of a broad range of information about many issues, some of which does not directly involve you. We will share with you any facts that we collect about your claim unless we are prohibited by law from doing so. The process of claim investigation, evaluation, and settlement also involves, however, the collection of advice, opinions, and comments from many people, including attorneys and experts, to aid the claim specialist in determining how best to handle your claim. In order to protect the legal and transactional confidentiality and privileges associated with such opinions, comments and advice, we will not disclose this information to you; and
- Credit and Financial Reports – We may receive information about you and your business regarding your credit. We use this information to verify information you provide during the submission and quote processes and to help underwrite and provide to you the most accurate and cost-effective insurance quote we can provide.

Retention and Correction of Personal Information

We retain personal information only as long as required by our business practices and applicable law. If we become aware that an item of personal information may be materially inaccurate, we will make reasonable effort to re-verify its accuracy and correct any error as appropriate.

Storage of Personal Information

We have in place safeguards to protect data and paper files containing personal information.

Sharing/Disclosing of Personal Information

We maintain procedures to assure that we do not share personal information with an unaffiliated third party for marketing purposes unless such sharing is permitted by law. Personal information may be disclosed to an unaffiliated third party for necessary servicing of the product or service or for other normal business transactions as permitted by law.

We do not disclose personal information to an unaffiliated third party for servicing purposes or joint marketing purposes unless a contract containing a confidentiality/non-disclosure provision has been signed by us and the third party. Unless a consumer consents, we do not disclose “consumer credit report” type information obtained from an application or a credit report regarding a customer who applies for a financial product to any unaffiliated third party for the purpose of serving as a factor in establishing a consumer’s eligibility for credit, insurance or employment. “Consumer credit report type information” means such things as net worth, credit worthiness, lifestyle information (piloting, skydiving, etc.) solvency, etc. We also do not disclose to any unaffiliated third party a policy or account number for use in marketing. We may share with our affiliated companies information that relates to our experience and transactions with the customer.

Policy for Personal Information Relating to Nonpublic Personal Health Information

We do not disclose nonpublic personal health information about a customer unless an authorization is obtained from the customer whose nonpublic personal information is sought to be disclosed. However, an authorization shall not be prohibited, restricted or required for the disclosure of certain insurance functions, including, but not limited to, claims administration, claims adjustment and management, detection, investigation or reporting of actual or potential fraud, misrepresentation or criminal activity, underwriting, policy placement or issuance, loss control and/or auditing.

NOTICE TO POLICYHOLDERS

Access to Your Information

Our employees, employees of our affiliated companies, and third party service providers will have access to information we collect about you and your business as is necessary to effect transactions with you. We may also disclose information about you to the following categories of person or entities:

- Your independent insurance agent or broker;
- An independent claim adjuster or investigator, or an attorney or expert involved in the claim;
- Persons or organizations that conduct scientific studies, including actuaries and accountants;
- An insurance support organization;
- Another insurer if to prevent fraud or to properly underwrite a risk;
- A state insurance department or other governmental agency, if required by federal, state or local laws; or
- Any persons entitled to receive information as ordered by a summons, court order, search warrant, or subpoena.

Violation of the Privacy Policy

Any person violating the Privacy Policy will be subject to discipline, up to and including termination.

For more information or to address questions regarding this privacy statement, please contact your broker.

NOTICE TO POLICYHOLDERS

U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL ("OFAC")

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

This Policyholder Notice provides information concerning possible impact on your insurance coverage due to the impact of U.S. Trade Sanctions¹. Please read this Policyholder Notice carefully.

In accordance with the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") regulations, or any other U.S. Trade Sanctions embargoes or export controls applied by any regulatory body, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated U.S. sanctions, embargoes or export controls law, is a Specially Designated National and Blocked Person ("SDN"), or is owned or controlled by an SDN, this insurance will be considered a blocked or frozen contract. When an insurance policy is considered to be such a blocked or frozen contract, neither payments nor premium refunds may be made without authorization from OFAC or the applicable regulator. Other limitations on the premiums and payments also apply.

¹ "U.S Trade Sanctions" may be promulgated by Executive Order, act of Congress, regulations from the U.S. Departments of State, Treasury, or Commerce, regulations from the State Insurance Departments, etc.

NOTICE TO POLICYHOLDERS

FRAUD NOTICE

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| Alabama | Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or who knowingly presents false information in an application for insurance is guilty of a crime and may be subject to restitution fines or confinement in prison, or any combination thereof. |
| Arkansas | Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison. |
| California | General: All applications for commercial insurance, other than liability insurance: Any person who knowingly and willfully presents false information in an application for insurance may be guilty of insurance fraud and subject to fines and confinement in prison. All applications for liability insurance and all claim forms: For your protection California law requires the following to appear on this form: Any person who knowingly presents false or fraudulent information to obtain or amend insurance coverage or to make a claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison. |
| Colorado | It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies. |
| District of Columbia | WARNING: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant. |
| Florida | Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree. |
| Kansas | A "fraudulent insurance act" means an act committed by any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written, electronic, electronic impulse, facsimile, magnetic, oral, or telephonic communication or statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance that such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto. |
| Kentucky | Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime. |
| Louisiana | Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison. |
| Maine | It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines, or denial of insurance benefits. |

NOTICE TO POLICYHOLDERS

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| Maryland | Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison. |
| New Jersey | Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties. |
| New Mexico | ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO CIVIL FINES AND CRIMINAL PENALTIES. |
| New York | <p>General: All applications for commercial insurance, other than automobile insurance: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.</p> <p>All applications for automobile insurance and all claim forms: Any person who knowingly makes or knowingly assists, abets, solicits or conspires with another to make a false report of the theft, destruction, damage or conversion of any motor vehicle to a law enforcement agency, the department of motor vehicles or an insurance company, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the value of the subject motor vehicle or stated claim for each violation.</p> <p>Fire: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime.</p> <p>The proposed insured affirms that the foregoing information is true and agrees that these applications shall constitute a part of any policy issued whether attached or not and that any willful concealment or misrepresentation of a material fact or circumstances shall be grounds to rescind the insurance policy.</p> |
| Ohio | Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud. |
| Oklahoma | <p>WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.</p> <p>WARNING: All Workers Compensation Insurance: Any person or entity who makes any material false statement or representation, who willfully and knowingly omits or conceals any material information, or who employs any device, scheme, or artifice, or who aids and abets any person for the purpose of:</p> <ol style="list-style-type: none"> 1. obtaining any benefit or payment, 2. increasing any claim for benefit or payment, or 3. obtaining workers' compensation coverage under the Administrative Workers' Compensation Act, shall be guilty of a felony punishable pursuant to Section 1663 of Title 21 of the Oklahoma Statutes. |

NOTICE TO POLICYHOLDERS

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| Pennsylvania | <p>Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.</p> <p>Automobile Insurance: Any person who knowingly and with intent to injure or defraud any insurer files an application or claim containing any false, incomplete or misleading information shall, upon conviction, be subject to imprisonment for up to seven years and the payment of a fine of up to \$15,000.</p> |
| Puerto Rico | <p>Any person who knowingly and with the intention of defrauding presents false information in an insurance application, or presents, helps, or causes the presentation of a fraudulent claim for the payment of a loss or any other benefit, or presents more than one claim for the same damage or loss, shall incur a felony and, upon conviction, shall be sanctioned for each violation by a fine of not less than five thousand dollars (\$5,000) and not more than ten thousand dollars (\$10,000), or a fixed term of imprisonment for three (3) years, or both penalties. Should aggravating circumstances [be] present, the penalty thus established may be increased to a maximum of five (5) years, if extenuating circumstances are present, it may be reduced to a minimum of two (2) years.</p> |
| Rhode Island | <p>Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.</p> |
| Tennessee | <p>It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.</p> <p>Workers' Compensation: It is a crime to knowingly provide false, incomplete or misleading information to any party to a workers' compensation transaction for the purpose of committing fraud. Penalties include imprisonment, fines and denial of insurance benefits.</p> |
| Utah | <p>Workers' Compensation: Any person who knowingly presents false or fraudulent underwriting information, files or causes to be filed a false or fraudulent claim for disability compensation or medical benefits, or submits a false or fraudulent report or billing for health care fees or other professional services is guilty of a crime and may be subject to fines and confinement in state prison.</p> |
| Virginia | <p>It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.</p> |
| Washington | <p>It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.</p> |
| West Virginia | <p>Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.</p> |
| All Other States | <p>Any person who knowingly and willfully presents false information in an application for insurance may be guilty of insurance fraud and subject to fines and confinement in prison. (In Oregon, the aforementioned actions may constitute a fraudulent insurance act which may be a crime and may subject the person to penalties).</p> |

NOTICE TO POLICYHOLDERS

TEXAS COMPLAINT NOTICE

Have a complaint or need help?

If you have a problem with a claim or your premium, call your insurance company first. If you can't work out the issue, the Texas Department of Insurance may be able to help.

Even if you file a complaint with the Texas Department of Insurance, you should also file a complaint or appeal through your insurance company. If you don't, you may lose your right to appeal.

AXA XL

To get information or file a complaint with your insurance company:

Call Risk Associate at: 1-800-622-7311
Toll Free: 1-800-622-7311
Email: USinquiries@axaxl.com
Mail: Seaview House, 70 Seaview Avenue, Stamford, CT 06902-6040

The Texas Department of Insurance

To get help with an insurance question or file a complaint with the state:

Call: 1-800-252-3439
Online: www.tdi.texas.gov
Email: ConsumerProtection@tdi.texas.gov
Mail: MC 111-1A, P.O. Box 149091, Austin, TX 78714-9091

¿Tiene una queja o necesita ayuda?

Si tiene un problema con una reclamación o con su prima de seguro, llame primero a su compañía de seguros. Si no puede resolver el problema, es posible que el Departamento de Seguros de Texas (Texas Department of Insurance, por su nombre en inglés) pueda ayudar.

Aun si usted presenta una queja ante el Departamento de Seguros de Texas, también debe presentar una queja a través del proceso de quejas o de apelaciones de su compañía de seguros. Si no lo hace, podría perder su derecho para apelar.

AXA XL

Para obtener información o para presentar una queja ante su compañía de seguros:

Llame a Risk Associate al: 1-800-622-7311
Teléfono gratuito: 1-800-622-7311
Correo electrónico: USinquiries@axaxl.com
Dirección postal: Seaview House, 70 Seaview Avenue, Stamford, CT 06902-6040

El Departamento de Seguros de Texas

Para obtener ayuda con una pregunta relacionada con los seguros o para presentar una queja ante el estado:

Llame con sus preguntas al: 1-800-252-3439
Presente una queja en: www.tdi.texas.gov
Correo electrónico: ConsumerProtection@tdi.texas.gov
Dirección postal: MC 111-1A, P.O. Box 149091, Austin, TX 78714-9091

NOTICE TO POLICYHOLDERS

AXA XL and affiliated companies are required by law to provide its policyholders free Loss Control Services. If you would like more information about these services, please visit Professional Liability - REALTORS® @ <https://pearlinsurance.com/> for your free monthly E&O Risk Manager News Letter or contact Pearl Insurance @ 1-800-447-4982 to learn about other loss control services available.

**Regulatory Office**

Dept: Regulatory
 505 Eagleview Blvd., Suite 100
 Exton, PA 19341-1120
 Telephone: 800-688-1840

Insurance Company Providing Coverage: Greenwich Insurance Company

**REAL ESTATE PROFESSIONALS ERRORS AND OMISSIONS DECLARATIONS
 THIS IS A CLAIMS MADE INSURANCE POLICY. PLEASE READ IT CAREFULLY.**

| | | | |
|--------------------|-----------------------|-----------------------|---------------|
| PRODUCER: | Pearl Insurance Group | POLICY NUMBER: | PEG9163260-13 |
| PRODUCER #: | 08938 | RENEWAL OF: | PEG9163260-12 |

THIS IS A CLAIMS MADE POLICY. THE POLICY APPLIES ONLY TO THOSE CLAIMS THAT ARE FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD. THE CLAIM MUST BE REPORTED IN WRITING TO THE COMPANY DURING THE POLICY PERIOD OR WITHIN 60 DAYS AFTER THE END OF THE POLICY PERIOD. CLAIM EXPENSES ARE GENERALLY IN ADDITION TO AND WILL NOT REDUCE THE LIMIT OF LIABILITY. HOWEVER, CERTAIN COVERAGE EXTENSIONS HAVE LIMITS OF INSURANCE THAT INCLUDE AND WILL BE REDUCED BY CLAIMS EXPENSES. PLEASE REVIEW THIS POLICY CAREFULLY.

Item 1. NAMED INSURED: TX P Realty, LLC

Item 2. ADDRESS: 3834 Deerfield Dr
 San Antonio, TX 78218-2414

NOTICE: This policy is issued by your purchasing group through a licensed insurer. Your insurer may not be subject to all the insurance laws and regulation of your state. State insurance insolvency guaranty funds may not be available for your purchasing group and/or your licensed insurer.

Item 3. POLICY PERIOD: **FROM:** 05/27/2023 **TO:** 05/27/2024
 12:01 A.M. Standard Time at the address of the **Named Insured** as stated herein.

Item 4. LIMITS OF LIABILITY:

| | | | | |
|---|--------------|------------|--------------|------------------|
| A. Limits of Liability | \$ 1,000,000 | Each Claim | \$ 2,000,000 | Policy Aggregate |
| B. Fair Housing Discrimination Limit of Liability | | | \$ 250,000 | Aggregate |
| C. Fungi and Bacteria Limit of Liability | | | \$ 1,000,000 | Aggregate |
| D. Open House Limit of Liability | | | \$ 1,000,000 | Aggregate |

Item 5. DEDUCTIBLE: \$ 5,000 Each Claim

Item 6. PREMIUM: \$ 47,071

Item 7. RETROACTIVE DATE: 5/27/2009

Item 8. NOTICES TO BE SENT TO:
Report A Claim
 AXA XL – Commercial E & O Claims
 100 Constitution Plaza, 8th Floor
 Hartford, CT 06103
 877-791-3777 [Phone]
 860-548-9668 [Fax]

Report A Claim
 Pearl Insurance
 1200 East Glen Avenue
 Peoria Heights, IL 61616
1-800-447-4982

Item 9. FORMS AND ENDORSEMENTS ATTACHED AT POLICY EFFECTIVE DATE:

JPP-PF (08/18) Real Estate Errors & Omissions Policy Form
 JPP 148 (08/18) Sellers Shield Deductible Forgiveness
 JPP-TX1 (06/05) Texas Changes
 JPP 147 (06/16) Consumer Financial Protection Bureau Defense Endorsement
 JPP149 0820 Home Warranty Program Deductible Reduction Endorsement
 JPP 150 1221 ERISA, Securities, Consumer Protection and Similar Act or Law Exclusion
 JPP 101 (06/05) Additional Named Insured Endorsement

JPP 124 (06/05) Specified Entity Coverage
JPP145 0215 Lock Box And Open House
SPHD 300 0920 Cyber Suite Supplemental Schedule
SPHD 100-TX 0920 Texas Changes - Amendatory Endorsement (Cyber Suite)
SPHD 400 0920 Cyber Suite Coverage Endorsement



DATE: 05/24/2023

Authorized Representative
Gary P. Pearl - CEO

IN WITNESS


GREENWICH INSURANCE COMPANY

REGULATORY OFFICE
505 EAGLEVIEW BOULEVARD, SUITE 100
DEPARTMENT: REGULATORY
EXTON, PA 19341-1120
PHONE: 800-688-1840

It is hereby agreed and understood that the following In Witness Clause supercedes any and all other In Witness clauses in this policy.

All other provisions remain unchanged.

IN WITNESS WHEREOF, the Company has caused this policy to be executed and attested, and, if required by state law, this policy shall not be valid unless countersigned by a duly authorized representative of the Company.



Joseph Tocco
President



Toni Ann Perkins
Secretary

REALTORS® ERRORS & OMISSIONS CLAIM REPORT

Notice of each and every incident, claim, or suit is to be sent immediately to AXA XL at the address shown below. Tips and procedures on reporting claims can be found on the enclosed form. Any claims questions can be answered by contacting the Claim Helpline at 1-877-791-3777.

Firm Name: TX P Realty, LLC

Broker:

Contact Name:

Address: 3834 Deerfield Dr

City: San Antonio

State: TX

Zip: 78218-2414

Phone:

Fax: TX

E-mail:

Policy #: - PEG9163260-13

Policy Period: 05/27/2023 - 05/27/2024

Name of Claimant:

Date of Occurrence/Closing:

Address of Property Involved:

Name of Agent Involved:

Type of Agent:

Listing ☐

Selling ☐

Buyers ☐

Dual ☐

Has the suit been received:

Yes ☐

No ☐

Date of Service:

Specific Nature of Incident:

Note: Include type of demand (verbal or written) for damages that may result and a copy of all written demands/legal documents if a lawsuit has been initiated /served.

Requested by:

Signature:

Date:



XL Insurance

Mailing Address:

Rosanna Marra

Senior Claims Technician

AXA XL – Commercial E & O Claims

100 Constitution Plaza, 8th Floor

Hartford, CT 06103

877-791-3777 [Phone]

860-548-9668 [Fax]

Email: rosanna.marra@axaxl.com or vincent.catania@axaxl.com

REALTORS® CLAIM REPORT TIPS & PROCEDURES

- Your policy requires that immediate written notice be given to the insurance company as soon as possible after receiving notification of a claim or potential incident.
- Please complete the enclosed Claim Report and forward with all demands, suits or other papers immediately to the address on the Claim Report. If reporting an “incident” the following information should be available but there is no need to include it with your initial report or letter.
- Create a claims/incident file consisting of the following for use by the claim department and its representatives:
 - Listing Agreement
 - Sales Contract
 - Closing Documents
 - Any correspondence, notes, and phone messages related to the incident
 - Copies of any written/oral side agreements with the claimant or codefendant
- All parties involved with the claim/incident should prepare a chronological history of their participation and their understanding of the activities surrounding the claim/incident.
- Do not discuss the matter with anyone other than representatives of your insurer.
- Do not produce any of your records relative to this incident for inspection without clearance and/or approval from the insurer.
- The insurance company will retain appropriate counsel and will communicate with the named insured for all information regarding the claim/incident.

If you currently have the Deductible Reduction Endorsement JPP116 on your policy declarations page, please send the following documents in order for the endorsement to apply:

- A copy of the seller disclosure form that was signed by the seller and acknowledged in writing by the buyer prior to closing.
- Proof that a home warranty policy was purchased between the time the residential property was listed and up to and including 30 days after closing.
- A copy of the accredited written property inspection report that was performed on the property or a waiver of inspection in writing from the buyer.
- A copy of the sales contract that was utilized.



Greenwich Insurance Company

Indian Harbor Insurance Company

¹ The AXA XL division gathers the activities of AXA Corporate Solutions, AXA Matrix, AXA Art and XL Catlin.



PEARL INSURANCE®

ENDORSEMENT # 1

This endorsement, effective 12:01 a.m., 05/27/2023 forms a part of Policy No. -PEG9163260-13- issued to TX P Realty, LLC by Greenwich Insurance Company.

TEXAS CHANGES

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

REAL ESTATE PROFESSIONALS ERRORS AND OMISSIONS POLICY

It is agreed that Section VI., CONDITIONS, paragraph M. of the policy, is deleted and replaced by the following:

M. Cancellation and Nonrenewal

1. This policy may be cancelled by the **Named Insured** by surrender of the policy to the **Company** or its duly authorized representative or by mailing to the **Company** written notice stating when, thereafter, such cancellation will be effective. If the **Named Insured** cancels, the earned premium will be calculated on a short rate basis.
2. This policy may also be cancelled by the **Company** by mailing written notice of cancellation to the **Named Insured** at the last address known to the **Company**. The **Company** will provide written notice at least 10 days before cancellation is to be effective. The earned premium will be calculated on a pro rata basis.
3. After this policy has been in effect for 60 days, or if this policy is a renewal, the **Company** may not cancel this policy unless cancellation is based on one or more of the following conditions:
 - a. Nonpayment of premium;
 - b. Fraud in obtaining the policy;
 - c. An increase in hazard within the control of the **Named Insured** which would produce an increase in rate;
 - d. Placement of the **Company** into supervision, conservatorship, or receivership, if the cancellation or nonrenewal is approved or directed by the supervisor, conservator, or receiver; or
 - e. Loss of the **Company's** reinsurance covering all or part of the risk covered by the policy.
4. Notice of cancellation will state the effective date and reason for cancellation. The **policy period** will end on that date. Proof of mailing will be sufficient proof of notice.
5. Payment or tender of any unearned premium by the **Company** will not be a condition precedent to the effectiveness of cancellation but such payment will be made as soon as practicable.
6. The **Company** may choose not to renew this policy by delivering written notice to the last known address of the **Named Insured**. The **Company** will provide written notice of nonrenewal at least 60 days prior to the expiration of the **policy period**, except that if the **Company** has been placed in supervision, conservatorship or receivership and the **Company** chooses not to renew the policy with the approval or at the direction of the supervisor, conservator or receiver, the **Company** will only be required to provide notice of nonrenewal at least 10 days prior to expiration of the **policy period**. A transfer of coverage for the

Named Insured within the same insurance group will not be considered a refusal to renew. Any notice of nonrenewal will:

- a. state the precise incident, circumstance, or risk factors applicable to the applicant for insurance or the policyholder that violates any applicable guidelines;
 - b. state the source of information on which the insurer relied regarding the incident, circumstance, or risk factors; and
 - c. specify any other information considered relevant by the Insurance Commissioner.
7. If the **Company** fails to provide notice of nonrenewal at least 60 days before the expiration of the **policy period**, the **Named Insured** the policy will remain in effect until the 61st day after the date on which the **Company** has provided the **Named Insured** with such notice. Earned premium for any such continuation of coverage beyond the expiration date of the policy will be calculated pro rata based on the previous year's rates.
8. Renewal of the policy will not constitute a waiver or estoppel with respect to grounds for cancellation which existed before the effective date of such renewal.

All other provisions of this policy remain unchanged.

ENDORSEMENT # 2

This endorsement, effective 12:01 a.m., 05/27/2023 forms a part of Policy No. -PEG9163260-13- issued to TX P Realty, LLC by Greenwich Insurance Company.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SELLERS SHIELD™ DEDUCTIBLE FORGIVENESS ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

REAL ESTATE PROFESSIONALS ERRORS AND OMISSIONS POLICY

In consideration of the premium charged, it is agreed the policy is amended as follows:

1. Section **III, DEFINITIONS**, is amended to include the following:

Failure to Disclose Claim means any claim arising solely out of actual or alleged undisclosed defects in **Residential Property** brought against an **Insured** who represented the seller of the property.

2. Section **V. LIMITS OF LIABILITY AND DEDUCTIBLE**, paragraph **D. Deductible** is amended to include the following:

The **Named Insured's** obligation to pay the deductible amount stated in **Item 5.** in the Declarations relating to a **Failure to Disclose Claim** will be waived, but not to exceed a maximum of \$5,000, for each **Failure to Disclose Claim** if a seller disclosure form was completed using Sellers Shield™ and evidence of such is provided to us when notice of **Failure to Disclose Claim** is received. The obligation to pay the deductible will not be waived if any **Insured** acted as both buyer's and seller's agent in the transaction which gives rise to a **Failure to Disclose Claim**.

All other provisions of this policy remain unchanged.

ENDORSEMENT # 3

This endorsement, effective 12:01 a.m., 05/27/2023 forms a part of Policy No. -PEG9163260-13- issued to TX P Realty, LLC by Greenwich Insurance Company.

CONSUMER FINANCIAL PROTECTION BUREAU DEFENSE ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

REAL ESTATE PROFESSIONALS ERRORS AND OMISSIONS POLICY

In consideration of the premium charged, it is agreed the policy is amended as follows:

1. Section **II. SUPPLEMENTARY PAYMENTS** is amended to include the following:

The **Company** will reimburse the **Insured** up to \$25,000 per **policy period** for reasonable attorneys' fees and other necessary costs, expenses or fees paid by the **Insured** in responding to a **CFPB Matter** that resulted from a negligent act or omission by the **Insured** in the performance of **real estate services** provided that:

- A. Such act or omission occurred on or after the **retroactive date** of this policy, but before the end of the **policy period**;
- B. The **CFPB Matter** commences against the **Insured** during the **policy period** and is reported to the **Company** during the **policy period** or within sixty (60) days after the end of the **policy period** unless an **Extended Reporting Period** ("ERP") applies.
- C. Prior to the inception date of this policy, no **Insured** had a basis to believe that such act or omission or related act or omission might reasonably be expected to be the basis for a **CFPB Matter**; and
- D. \$25,000 is the most the **Company** will pay regardless of the number of **insureds or CFPB Matters**.

2. Section **III. DEFINITIONS** is amended to include the following:

CFPB means the Consumer Financial Protection Bureau pursuant to Section X of the Dodd-Frank Wall Street Reform and Consumer Protection Act, 12 U.S.C. Section 5301 (the "Act").

CFPB Matter means:

1. a subpoena issued upon an **Insured** by the **CFPB**, pursuant to Section 1052 of the Act, for attendance, testimony of witnesses or production of documents or other materials;
2. a civil investigative demand, issued pursuant to Section 1052 of the Act, received by an **Insured** from the **CFPB**;
3. a hearing or adjudication proceeding with respect to an **Insured** conducted by the CFPB pursuant to Section 1053 of the Act; or
4. any civil action, commenced pursuant to Section 1054 of the Act by the CFPB against an **Insured**, including any appeal therefrom.

All other provisions of this policy remain unchanged.

ENDORSEMENT #4

This endorsement, effective 12:01 a.m., 05/27/2023 forms a part of
Policy No. -PEG9163260-13- issued to TX P Realty, LLC by Greenwich Insurance Company.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

HOME WARRANTY PROGRAM DEDUCTIBLE REDUCTION ENDORSEMENT

This endorsement modifies insurance provided under the following:

REAL ESTATE PROFESSIONALS ERRORS AND OMISSIONS POLICY

For each **claim** that arises, if any, from a **residential property** sale within the first twelve (12) months from the closing date, the **Insured's** obligation to pay the deductible amount stated in Item 5 in the Declarations, subject to a maximum deductible of \$5,000, will be reduced by twenty five percent (25%) provided that a home warranty was purchased, or waived in writing within fourteen (14) days after the closing, for the subject **residential property** when the following conditions are satisfied:

1. Your home warranty provider reimburses a portion of your E&O deductible for qualified transactions, and,
2. A home warranty was placed on the subject **residential property** or waived, in writing, and,
3. When notice of a claim is received and is reported by the **Named Insured** to the carrier and your home warranty provider within fifteen (15) days of knowledge.

All other provisions of this policy remain unchanged.

ENDORSEMENT #5

This endorsement, effective 12:01 a.m., 05/27/2023 forms a part of
Policy No. PEG9163260-13 issued to TX P Realty, LLC
by Greenwich Insurance Company.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

ERISA, SECURITIES, CONSUMER PROTECTION, AND SIMILAR ACT OR LAW EXCLUSION

This endorsement modifies insurance provided under the following:

REAL ESTATE PROFESSIONAL ERRORS AND OMISSIONS POLICY

In consideration of the premium charged it is agreed that SECTION IV. **EXCLUSIONS**, Paragraph P. is deleted in its entirety and replaced with the following:

P. based on or arising out of any actual or alleged violation of, or action brought under or relating to:

1. the Employee Retirement Income Security Act of 1974;
2. the Securities Act of 1933;
3. the Securities Exchange Act of 1934;
4. any state Blue Sky or Securities law;
5. the Telephone Consumer Protection Act or the CAN-SPAM Act of 2003 or other law or act governing or related to any actual or alleged unsolicited communications to actual or potential customers or any other third party; or
6. the Fair Credit Reporting Act or the Fair and Accurate Credit Transactions Act; or

any rules, regulations or amendments issued in relation to such acts, or similar state or federal statutes or regulations or any **claim** based upon or arising out of any similar common law principles of liability.

All other provisions of this policy remain unchanged.

ENDORSEMENT # 6

This endorsement, effective 12:01 a.m., 05/27/2023 forms a part of Policy No. -PEG9163260-13- issued to TX P Realty, LLC by Greenwich Insurance Company.

LOCK-BOX AND OPEN HOUSE BODILY INJURY SUB-LIMITED COVERAGE ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

REAL ESTATE PROFESSIONALS ERRORS AND OMISSIONS POLICY

In consideration of the premium charged, it is agreed the policy is amended as follows:

1. Section **III. DEFINITIONS** is amended to include the following:

Open House means an advertised designated time period (up to 3 hours) where multiple potential buyers have the opportunity to view the specified property that is listed for sale by the **Insured** while in the care, custody or control of the **Insured**.

2. Section **IV. EXCLUSIONS** paragraph **A.** is deleted in its entirety and replaced with the following:

A. based on or arising out of **bodily injury** except subject to all other terms and conditions of this policy that this exclusion will not apply to a **claim** for **bodily injury** that results from the use of a **lock-box** or an **open house**;

3. Item 4. In the Declarations, Limits of Liability is amended to add the following:

The **Lock-box** and **Open House Bodily Injury Coverage Endorsement Sublimit of Liability** \$250,000.00

4. Section **V. LIMITS OF LIABILITY AND DEDUCTIBLE** is amended to include the following:

The **Company's** maximum limit of liability for all **damages** for **bodily injury** covered under this Endorsement for each **claim** and in the aggregate per **policy period** is the **Sublimit of Liability** set forth above.

The **Company** is not obligated to pay such **damages** or **claims expenses** or to defend or continue to defend any such **claim** after such **Sublimit of Liability** has been exhausted by the payment of such **damages** or **claims expenses**.

The **Lock-box** and **Open House Bodily Injury Coverage Endorsement Sublimit of Liability** as set forth above is included within, and not in addition to, the "each **claim**" and "Policy Aggregate" limits of liability and will not be considered as separate to such limits of liability.

Additionally, the deductible is not applicable to the **Lock-box** and **Open House Bodily Injury Coverage Endorsement**.

All other provisions of this policy remain unchanged.

ENDORSEMENT # 7

This endorsement, effective 12:01 a.m., 05-27-2023 forms a part of Policy No. -PEG9163260-13- issued to TX P Realty, LLC by Greenwich Insurance Company.

ADDITIONAL NAMED INSURED ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

REAL ESTATE PROFESSIONALS ERRORS AND OMISSIONS POLICY

In consideration of the premium charged it is agreed that Item 1. in the Declarations is amended to include the following:

Daryl Zipp dba Texas Premier Realty
Daryl Zipp dba My SA Texas Homes
Daryl Zipp dba Go Team Realty
Daryl Zipp dba High Real Estate Property Management
Daryl Zipp dba Alamo Properties
Daryl Zipp dba Acquire Real Estate
Daryl Zipp dba Moderna Real Estate Services
Daryl Zipp dba Gemini Real Estate Solutions
Daryl Zipp dba Price Properties.net
Daryl Zipp dba TPR Real Estate
Daryl Zipp dba Texas Statewide Realty
Daryl Zipp dba Babylon Real Estate Crew
Daryl Zipp dba ADH Realty
Daryl Zipp dba Anna TX Realty Advisors
Daryl Zipp dba McKinney Realty Services

All other provisions of this policy remain unchanged.

ENDORSEMENT # 8

This endorsement, effective 12:01 a.m., 05-27-2023 forms a part of Policy No. -PEG9163260-13- issued to TX P Realty, LLC by Greenwich Insurance Company.

SPECIFIED ENTITY COVERAGE ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

REAL ESTATE PROFESSIONALS ERRORS AND OMISSIONS POLICY

In consideration of the premium charged, it is agreed that Section III., **DEFINITIONS, Insured**, is amended to include the following entity(s) listed below. It is further agreed that this policy excludes from coverage all **claims** arising out of acts or omissions of such entity(s) that were committed before the **retroactive date** shown below.

| ENTITY | RETROACTIVE DATE |
|--|------------------|
| Daryl Zipp DBA Texas Raine Realty | 09/10/2010 |
| Daryl Zipp dba S.A. Premier Realty | 11/03/2010 |
| Daryl Zipp dba Mayne Realty Group | 05/27/2012 |
| Daryl Zipp dba MX Realty | 05/27/2012 |
| Daryl Zipp dba Ace Realty | 05/27/2012 |
| Daryl Zipp dba Infinity Real Estate Group | 05/27/2013 |
| Daryl Zipp dba Texas Real Estate Group | 05/27/2013 |
| Daryl Zipp dba Star of Texas Real Estate Group | 05/27/2013 |
| Daryl Zipp dba Ottley Group Real Estate | 05/27/2014 |
| Daryl Zipp dba G. Partners Realty | 05/27/2014 |
| Daryl Zipp dba Newport Real Estate | 05/27/2014 |
| Daryl Zipp dba My SA Texas Homes Realineer | 05/23/2017 |
| Daryl Zipp dba Realtude | 05/23/2017 |
| Daryl Zipp dba Uprise Real Estate Partners | 05/23/2017 |
| Daryl Zipp dba Texas Real Estate Hub | 05/23/2017 |
| Daryl Zipp dba Dream Maker Homes | 05/23/2017 |
| Daryl Zipp dba Heart & Soul Realty | 05/23/2017 |
| Daryl Zipp dba TR & Co. Real Estate | 05/23/2017 |
| TX P Realty, LLC. dba Tribeca Real Estate Advisors | 05/25/2018 |
| TX P Realty, LLC. dba Best Homes DFW | 05/25/2018 |
| TX P Realty, LLC. dba Dolce Vita Team | 05/25/2018 |
| TX P Realty, LLC. dba Guardian Property Management | 05/25/2018 |
| TX P Realty, LLC. dba Havilah Endowment | 05/25/2018 |
| TX P Realty, LLC. dba Military City Realty | 05/25/2018 |
| TX P Realty, LLC. dba Realtude Realty | 05/25/2018 |
| TX P Realty, LLC. dba Stand Apart Realty Team | 05/25/2018 |
| TX P Realty, LLC. dba Texas Roadrunner Realty | 05/25/2018 |
| TX P Realty, LLC. dba Veterans Realty Group | 05/25/2018 |

All other provisions of this policy remain unchanged.

ENDORSEMENT # 9

This endorsement, effective 12:01 a.m., 05/27/2023 forms a part of Policy No.-PEG9163260-13- issued to TX P Realty, LLC by Greenwich Insurance Company.

Cyber Coverage Effective Date: 05/27/2023

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CYBER SUITE SUPPLEMENTAL SCHEDULE

This endorsement modifies insurance provided under the following:

Real Estate Errors & Omissions Policy

CYBER SUITE

| | |
|--|------------|
| First Party Annual Aggregate Limit: | \$ 100,000 |
| Third Party Annual Aggregate Limit: | \$ 100,000 |
| Cyber Suite Deductible Per Occurrence: | \$ 1,000 |

FIRST PARTY COVERAGES

DATA COMPROMISE RESPONSE EXPENSES

Sublimits Per Occurrence

| | |
|---------------------------------|-----------|
| Forensic IT Review: | \$ 50,000 |
| Legal Review: | \$ 50,000 |
| Public Relations: | \$ 5,000 |
| Regulatory Fines and Penalties: | \$ 50,000 |
| PCI Fines and Penalties: | \$ 50,000 |

Included

COMPUTER ATTACK

Sublimits Per Occurrence

| | |
|-------------------|-----------|
| Loss of Business: | \$ 50,000 |
| Public Relations: | \$ 5,000 |

Included

CYBER EXTORTION

Sublimit Per Occurrence:

| |
|-----------|
| \$ 10,000 |
|-----------|

Included

MISDIRECTED PAYMENT FRAUD

Sublimit Per Occurrence:

| |
|-----------|
| \$ 10,000 |
|-----------|

Included

COMPUTER FRAUD

Sublimit Per Occurrence:

| |
|-----------|
| \$ 10,000 |
|-----------|

Included

THIRD PARTY COVERAGES

| | |
|----------------------------|----------|
| DATA COMPROMISE LIABILITY | Included |
| NETWORK SECURITY LIABILITY | Included |
| ELECTRONIC MEDIA LIABILITY | Included |

IDENTITY RECOVERY COVERAGE

Annual Aggregate Limit Per "Identity Recovery Insured": \$ 25,000

Deductible Per Occurrence: None

Sublimits Per Occurrence

Lost Wages and Child and Elder Care Expenses: \$ 5,000

Mental Health Counseling: \$ 1,000

Miscellaneous Unnamed Costs: \$ 1,000

ENDORSEMENT # 10

This endorsement, effective 12:01 a.m., 05/27/2023 forms a part of Policy No. -PEG9163260-13- issued to **TX P Realty, LLC** by Greenwich Insurance Company.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TEXAS CHANGES - AMENDATORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

CYBER SUITE COVERAGE

In consideration of the premium charged, it is agreed the policy is amended as follows:

1. Section **A. COVERAGE**, Item **1. Data Compromise Response Expenses**, paragraph **a.(4)** is deleted and replaced with the following:
 - (4) Such "personal data compromise" is reported to us within ninety (90) days after the date it is first discovered by you.
2. Section **A. COVERAGE**, Item **2. Computer Attack**, paragraph **a.(4)** is deleted and replaced with the following:
 - (4) Such "computer attack" is reported to us as soon as practicable, but in no event more than ninety (90) days after the date it is first discovered by you.
3. Section **A. COVERAGE**, Item **3. Cyber Extortion**, paragraph **a.(3)** is deleted and replaced with the following:
 - (3) Such "cyber extortion threat" is reported to us as soon as practicable, but in no event more than ninety (90) days after the date it is first made against you.
4. Section **A. COVERAGE**, Item **4. Misdirected Payment Fraud**, paragraph **a. (4)** is deleted and replaced with the following:
 - (4) Such "wrongful transfer event" is reported to us as soon as practicable, but in no event more than ninety (90) days after the date it is first discovered by you.
5. Section **A. COVERAGE**, Item **5. Computer Fraud**, paragraph **a.(4)** is deleted and replaced with the following:
 - (4) Such "computer fraud event" is reported to us as soon as practicable, but in no event more than ninety (90) days after the date it is first discovered by you.
6. Section **A. COVERAGE**, Item **6. Data Compromise Liability**, paragraph **a.(3)** is deleted and replaced with the following:
 - (3) Such "claim" or "regulatory proceeding" is reported to us as soon as practicable, but in no event more than ninety (90) days after the date it is first received by you.

7. Section **A. COVERAGE**, Item **7. Network Security Liability**, paragraph **a.(2)** is deleted and replaced with the following:
- (2) Such “claim” is reported to us as soon as practicable, but in no event more than ninety (90) days after the date it is first received by you.
8. Section **A. COVERAGE**, Item **8. Electronic Media Liability**, paragraph **a.(2)** is deleted and replaced with the following:
- (2) Such “claim” is reported to us as soon as practicable, but in no event more than ninety (90) days after the date it is first received by you.
9. Section **A. COVERAGE**, Item **9. Identity Recovery**, paragraph **a.(4)** is deleted and replaced with the following:
- (4) Such “identity theft” is reported to us within ninety (90) days after the date it is first discovered by the “identity recovery insured”.
10. Section **B. EXCLUSIONS**, Item **9.** is deleted and replaced with the following:
9. Your “reckless disregard” for security of your “computer system” or data, including confidential or sensitive information of others in your care, custody or control.
11. The following is added to Section **E. ADDITIONAL CONDITIONS**, Item **2. Defense And Settlement**:
- We will notify you in writing of any offer, not later than the 10th day after the date the initial offer to settle a “claim” against you is received.
- We will notify you in writing of any settlement, not later than the 30th day after the date a “claim” against you is settled.
12. Section **E. ADDITIONAL CONDITIONS**, Item **4. Duties in the Event of a Claim, Regulatory Proceeding or Loss**, paragraphs **b.(2)** and **c.(2)** are deleted and replaced with the following:
- b.(2)** Provide us with written notice, as soon as practicable, but in no event more than ninety (90) days after the date the “claim” or “regulatory proceeding” is first received by you;
- c.(2)** Notify us as soon as practicable, but in no event more than ninety (90) days after the “personal data compromise”, “computer attack”, “cyber extortion threat”, “wrongful transfer event”, “computer fraud event” or “identity theft”. Include a description of any property involved.
13. Section **E. ADDITIONAL CONDITIONS**, Item **5. Extended Reporting Periods**, paragraph **b.(2)** is deleted and replaced with the following:
- (2) Upon payment of an additional premium set forth below, a Supplemental Extended Reporting Period of one (1) year immediately following the effective date of “termination of coverage” in which to give to us written notice of a “claim” or “regulatory proceeding” during which you may first receive notice of a “claim” or “regulatory proceeding” arising directly from a “wrongful act” occurring before the end of the “policy period” and which is otherwise insured by this Cyber Coverage.
- To obtain the Supplemental Extended Reporting Period, you must request it in writing and pay the additional premium due, within thirty (30) days of the effective date of “termination of coverage”. The additional premium for the Supplemental Extended Reporting Period shall be fully earned at the inception of the Supplemental Extended Reporting Period. If we do not receive the written request as required, you may not exercise this right at a later date.

The additional premium for a one (1) year Supplemental Extended Reporting Period will be one hundred percent (100%) of the full annual premium applicable to this Cyber Coverage.

This insurance, provided during the Supplemental Extended Reporting Period, is excess over any other valid and collectible insurance that begins or continues in effect after the Supplemental Extended Reporting Period becomes effective, whether the other insurance applies on a primary, excess, contingent, or any other basis.

14. Section **E. ADDITIONAL CONDITIONS**, Item **7. Legal Action Against Us**, paragraph **b.** is deleted and replaced with the following:

- b.** The action is brought within two (2) years and one day after the date the cause of action first accrues.

15. The following is added to Section **E. ADDITIONAL CONDITIONS**:

Prompt Payment of Claims

a. Receipt of Notice of Claim

- (1) Not later than the 15th day after the date we receive notice of a "claim", we will:
 - (a) acknowledge receipt of the "claim";
 - (b) commence any investigation of the "claim"; and
- (2) Request from you all items, statements, and forms that we reasonably believe, at that time, will be required from you.
- (3) We may make additional requests for information if during the investigation of the "claim" the additional requests are necessary.
- (4) If the acknowledgment of receipt of a "claim" is not made in writing, we will make a record of the date, manner, and content of the acknowledgment.

b. Notice of Acceptance or Rejection of Claim

- (1) Except as provided by Subsection (3), we will notify you in writing of the acceptance or rejection of a "claim" not later than the 15th business day after the date we receive all items, statements, and forms required by us to secure final proof of loss.
- (2) If we reject the "claim", the notice required by Subsection (1) must state the reasons for the rejection.
- (3) If we are unable to accept or reject the "claim" within the period specified by Subsection (1), we, within that same period, will notify you of the reasons that we need additional time. We will accept or reject the "claim" not later than the 45th day after the date we notify you under this subsection.

c. Payment of Claim

- (1) Except as otherwise provided by this section, if we notify you under Subsection **b.** that we will pay a "claim" or part of a "claim", we will pay the "claim" not later than the fifth business day after the date notice is made.
- (2) If payment of the "claim" or part of the "claim" is conditioned on the performance of an act by you, we will pay the "claim" not later than the fifth business day after the date the act is performed.

d. Delay in Payment of Claim

- (1)** Except as otherwise provided, if we after receiving all items, statements, and forms reasonably requested and required under Subsection **a.**, delay payment of the “claim” for a period exceeding the period specified by applicable statutes or, if other statutes do not specify a period, for more than sixty (60) days, we will pay damages and other items as provided by Texas Insurance Code Section 542.060.
- (2)** Subsection **(1)** does not apply in a case in which it is found as a result of arbitration or litigation that a “claim” received by us is invalid and should not be paid by us.

16. The following is added to Section **F. DEFINITIONS**:

“Reckless Disregard” means that:

- a.** The action or procedure is deliberate; and
- b.** The action or procedure entails either a certainty or a high probability of causing or allowing a “loss” or “claim”.

All other terms and conditions of this policy remain unchanged.

CYBER SUITE COVERAGE ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Throughout this Coverage Endorsement (hereinafter referred to as "Cyber Coverage"), the words "you" and "your" refer to the Named Insured(s) shown in the Cyber Suite Supplemental Schedule of this Cyber Coverage and any other person(s) or organization(s) qualifying as a Named Insured under this Cyber Coverage. The words "we", "us" and "our" refer to the company providing this insurance.

Other words and phrases that appear in quotations have special meaning. Refer to **DEFINITIONS**.

The terms and conditions of any cancellation and/or nonrenewal provisions in the policy and any amendment to such terms incorporated by endorsement are hereby incorporated herein and shall apply to coverage as is afforded by this Cyber Coverage, unless specifically stated otherwise in an endorsement(s) attached hereto.

A. COVERAGE

This section lists the coverages that apply if indicated in the Cyber Suite Supplemental Schedule.

1. Data Compromise Response Expenses

a. Data Compromise Response Expenses applies only if all of the following conditions are met:

- (1) There has been a "personal data compromise"; and
- (2) Such "personal data compromise" took place in the "coverage territory"; and
- (3) Such "personal data compromise" is first discovered by you during the "policy period"; and
- (4) Such "personal data compromise" is reported to us as soon as practicable, but in no event more than sixty (60) days after the date it is first discovered by you.

b. If the conditions listed in **a.** above have been met, then we will provide coverage for the following expenses when they arise directly from such "personal data compromise" and are necessary and reasonable. Items (4) and (5) below apply only if there has been a notification of the "personal data compromise" to "affected individuals" as covered under item (3) below.

(1) Forensic IT Review

We will pay for a professional information technologies review if needed to determine, within the constraints of what is possible and reasonable, the nature and extent of the "personal data compromise" and the number and identities of the "affected individuals".

This does not include costs to analyze, research or determine any of the following:

- (a) Vulnerabilities in systems, procedures or physical security;
- (b) Compliance with Payment Card Industry or other industry security standards; or

- (c) The nature or extent of “loss” or damage to data that is not “personally identifying information” or “personally sensitive information”.

If there is reasonable cause to suspect that a covered “personal data compromise” may have occurred, we will pay for costs covered under Forensic IT Review, even if it is eventually determined that there was no covered “personal data compromise”. However, once it is determined that there was no covered “personal data compromise”, we will not pay for any further costs.

(2) Legal Review

We will pay for a professional legal counsel review of the “personal data compromise” and how you should best respond to it.

If there is reasonable cause to suspect that a covered “personal data compromise” may have occurred, we will pay for costs covered under Legal Review, even if it is eventually determined that there was no covered “personal data compromise”. However, once it is determined that there was no covered “personal data compromise”, we will not pay for any further costs.

(3) Notification to Affected Individuals

We will pay your necessary and reasonable costs to provide notification of the “personal data compromise” to “affected individuals”.

(4) Services to Affected Individuals

We will pay your necessary and reasonable costs to provide the following services to “affected individuals”. Services (c) and (d) below apply only to “affected individuals” from “personal data compromise” events involving “personally identifying information”.

(a) Informational Materials

A packet of loss prevention and customer support information.

(b) Help Line

A toll-free telephone line for “affected individuals” with questions about the “personal data compromise”. Where applicable, the line can also be used to request additional services as listed in (c) and (d) below.

(c) Credit Report and Monitoring

A credit report and an electronic service automatically monitoring for activities affecting an individual’s credit records. This service is subject to the “affected individual” enrolling for this service with the designated service provider.

(d) Identity Restoration Case Management

As respects any “affected individual” who is or appears to be a victim of “identity theft” that may reasonably have arisen from the “personal data compromise”, the services of an identity restoration professional who will assist that “affected individual” through the process of correcting credit and other records and, within the constraints of what is possible and

reasonable, restoring control over his or her personal identity.

(5) Public Relations

We will pay for a professional public relations firm review of, and response to, the potential impact of the “personal data compromise” on your business relationships.

This includes necessary and reasonable costs to implement public relations recommendations of such firm. This may include advertising and special promotions designed to retain your relationship with “affected individuals”. However, we will not pay for:

(a) Promotions provided to any of your directors or employees; or

(b) Promotion costs exceeding \$25 per “affected individual”.

(6) Regulatory Fines and Penalties

We will pay for any fine or penalty imposed by law, to the extent such fine or penalty is legally insurable under the law of the applicable jurisdiction.

(7) PCI Fines and Penalties

We will pay for any Payment Card Industry fine or penalty imposed under a contract to which you are a party. PCI Fines and Penalties do not include any increased transaction costs.

2. Computer Attack

a. Computer Attack applies only if all of the following conditions are met:

(1) There has been a “computer attack”; and

(2) Such “computer attack” occurred in the “coverage territory”; and

(3) Such “computer attack” is first discovered by you during the “policy period”; and

(4) Such “computer attack” is reported to us as soon as practicable, but in no event more than sixty (60) days after the date it is first discovered by you.

b. If the conditions listed in **a.** above have been met, then we will provide you the following coverages for “loss” directly arising from such “computer attack”.

(1) Data Restoration

We will pay your necessary and reasonable “data restoration costs”.

(2) Data Re-creation

We will pay your necessary and reasonable “data re-creation costs”.

(3) System Restoration

We will pay your necessary and reasonable “system restoration costs”.

(4) Loss of Business

We will pay your actual “business income and extra expense loss” incurred during the “period of restoration”.

(5) Extended Income Recovery

If you suffer a covered “business income and extra expense loss” resulting from a “computer attack” on a “computer system” owned or leased by you and operated under your control, we will pay your actual “extended income loss”.

(6) Public Relations

If you suffer a covered “business income and extra expense loss”, we will pay for the services of a professional public relations firm to assist you in communicating your response to the “computer attack” to the media, the public and your customers, clients or members.

3. Cyber Extortion

a. Cyber Extortion applies only if all of the following conditions are met:

- (1) There has been a “cyber extortion threat”; and
- (2) Such “cyber extortion threat” is first made against you during the “policy period”; and
- (3) Such “cyber extortion threat” is reported to us as soon as practicable, but in no event more than sixty (60) days after the date it is first made against you.

b. If the conditions listed in a. above have been met, then we will pay for your necessary and reasonable “cyber extortion expenses” arising directly from such “cyber extortion threat”. The payment of “cyber extortion expenses” must be approved in advance by us. We will not pay for “cyber extortion expenses” that have not been approved in advance by us. We will not unreasonably withhold our approval.

c. You must make every reasonable effort not to divulge the existence of this Cyber Extortion coverage.

4. Misdirected Payment Fraud

a. Misdirected Payment Fraud applies only if all of the following conditions are met:

- (1) There has been a “wrongful transfer event” against you; and
- (2) Such “wrongful transfer event” took place in the “coverage territory”; and
- (3) Such “wrongful transfer event” is first discovered by you during the “policy period”; and
- (4) Such “wrongful transfer event” is reported to us as soon as practicable, but in no event more than sixty (60) days after the date it is first discovered by you; and
- (5) Such “wrongful transfer event” is reported in writing by you to the police.

b. If the conditions listed above in a. have been met, then we will pay your necessary and reasonable “wrongful transfer costs” arising directly from the “wrongful transfer event”.

5. Computer Fraud

- a. Computer Fraud applies only if all of the following conditions are met:
 - (1) There has been a “computer fraud event” against you; and
 - (2) Such “computer fraud event” took place in the “coverage territory”; and
 - (3) Such “computer fraud event” is first discovered by you during the “policy period”; and
 - (4) Such “computer fraud event” is reported to us within sixty (60) days after the date it is first discovered by you; and
 - (5) Such “computer fraud event” is reported in writing by you to the police.
- b. If the conditions listed in a. above have been met, then we will pay your necessary and reasonable “computer fraud costs” arising directly from the “computer fraud event”.

6. Data Compromise Liability

- a. Data Compromise Liability applies only if all of the following conditions are met:
 - (1) During the “policy period” or any applicable Extended Reporting Period, you first receive notice of one of the following:
 - (a) A “claim”; or
 - (b) A “regulatory proceeding”.
 - (2) Such “claim” or “regulatory proceeding” must arise from a “personal data compromise” that:
 - (a) Took place during the “coverage term”; and
 - (b) Took place in the “coverage territory”; and
 - (c) Was submitted to us and insured under Data Compromise Response Expenses.
 - (3) Such “claim” or “regulatory proceeding” is reported to us as soon as practicable, but in no event more than sixty (60) days after the date it is first received by you.
- b. If the conditions listed in a. above have been met, then we will pay on your behalf any covered:
 - (1) “Loss” directly arising from the “claim”; or
 - (2) “Defense costs” directly arising from a “regulatory proceeding”.
- c. All “claims” and “regulatory proceedings” arising from a single “personal data compromise” or interrelated “personal data compromises” will be deemed to have been made at the time that notice of the first of those “claims” or “regulatory proceedings” is received by you.

7. Network Security Liability

- a. Network Security Liability applies only if all of the following conditions are met:

- (1) During the “policy period” or any applicable Extended Reporting Period, you first receive notice of a “claim” which arises from a “network security incident” that:
 - (a) Took place during the “coverage term”; and
 - (b) Took place in the “coverage territory”; and
 - (2) Such “claim” is reported to us as soon as practicable, but in no event more than sixty (60) days after the date it is first received by you.
- b. If the conditions listed in **a.** above have been met, then we will pay on your behalf any covered “loss” directly arising from the “claim”.
 - c. All “claims” arising from a single “network security incident” or interrelated “network security incidents” will be deemed to have been made at the time that notice of the first of those “claims” is received by you.

8. Electronic Media Liability

- a. Electronic Media Liability applies only if all of the following conditions are met:
 - (1) During the “policy period” or any applicable Extended Reporting Period, you first receive notice of a “claim” which arises from an “electronic media incident” that:
 - (a) Took place during the “coverage term”; and
 - (b) Took place in the “coverage territory”; and
 - (2) Such “claim” is reported to us as soon as practicable, but in no event more than sixty (60) days after the date it is first received by you.
- b. If the conditions listed in **a.** above have been met, then we will pay on your behalf any covered “loss” directly arising from the “claim”.
- c. All “claims” arising from a single “electronic media incident” or interrelated “electronic media incidents” will be deemed to have been made at the time that notice of the first of those “claims” is received by you.

9. Identity Recovery

- a. Identity Recovery applies only if all of the following conditions are met:
 - (1) There has been an “identity theft” involving the personal identity of an “identity recovery insured” under this Cyber Coverage; and
 - (2) Such “identity theft” took place in the “coverage territory”; and
 - (3) Such “identity theft” is first discovered by the “identity recovery insured” during the “policy period”; and
 - (4) Such “identity theft” is reported to us within sixty (60) days after it is first discovered by the “identity recovery insured”.
- b. If the conditions listed in **a.** above have been met, then we will provide the following to the “identity recovery insured”:
 - (1) **Case Management Service**

We will pay for the services of an “identity recovery case manager” as needed to respond to the “identity theft”; and

(2) Expense Reimbursement

We will pay for reimbursement of necessary and reasonable “identity recovery expenses” incurred as a direct result of the “identity theft”.

B. EXCLUSIONS

The following additional exclusions apply to this coverage:

We will not pay for costs or “loss” arising from the following:

1. Nuclear reaction or radiation or radioactive contamination, however caused.
2. War and military action including any of the following and any consequence of any of the following:
 - a. War, including undeclared or civil war;
 - b. Warlike action by military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
 - c. Insurrection, rebellion, revolution, usurped power, political violence or action taken by governmental authority in hindering or defending against any of these.
3. Failure or interruption of, or damage to, any electrical power supply network or telecommunications network not owned and operated by you including, but not limited to, the internet, internet service providers, Domain Name System (DNS) 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.
4. Any attack on, incident involving, or loss to any computer or system of computers that is not a “computer system”.
5. Costs to research or correct any deficiency.
6. Any fines or penalties other than those explicitly covered under Data Compromise Response Expenses.
7. Any criminal investigations or proceedings.
8. Your intentional or willful complicity in a covered “loss” event.
9. Your reckless disregard for the security of your “computer system” or data, including confidential or sensitive information of others in your care, custody or control.
10. Any criminal, fraudulent or dishonest act, error or omission, or any intentional or knowing violation of the law by you.
11. Any “personal data compromise”, “computer attack”, “cyber extortion threat”, “wrongful transfer event”, “computer fraud event” or “wrongful act” occurring before the “coverage term”.
12. That part of any “claim” seeking any non-monetary relief. However, this exclusion does not apply to

“defense costs” arising from an otherwise insured “wrongful act”.

13. The propagation or forwarding of malware, including viruses, worms, Trojans, spyware and keyloggers in connection with hardware or software created, produced or modified by you for sale, lease or license to third parties.
14. Any oral or written publication of material, if done by you or at your direction with knowledge of its falsity.
15. “Property damage” or “bodily injury” other than mental anguish or mental injury alleged in a “claim” covered under Electronic Media Liability.
16. The theft of a professional or business identity.
17. Any fraudulent, dishonest or criminal act by an “identity recovery insured” or any person aiding or abetting an “identity recovery insured”, or by any “authorized representative” of an “identity recovery insured”, whether acting alone or in collusion with others. However, this exclusion will not apply to the interests of an “identity recovery insured” who has no knowledge of or involvement in such fraud, dishonesty or criminal act.
18. An “identity theft” that is not reported in writing to the police.

C. LIMITS OF INSURANCE

1. Aggregate Limits

The First Party Annual Aggregate Limit shown in the Cyber Suite Supplemental Schedule is the most we will pay for all “loss” under all the Data Compromise Response Expenses, Computer Attack, Cyber Extortion, Misdirected Payment Fraud, and Computer Fraud coverages in any one “policy period”. The First Party Annual Aggregate Limit shown in the Cyber Suite Supplemental Schedule applies regardless of the number of insured events first discovered during the “policy period”.

Except for post-judgment interest, the Third Party Annual Aggregate Limit shown in the Cyber Suite Supplemental Schedule is the most we will pay for all “loss” under all the Data Compromise Liability, Network Security Liability and Electronic Media Liability coverages in any one “policy period” or any applicable Extended Reporting Period. The Third Party Annual Aggregate Limit shown in the Cyber Suite Supplemental Schedule applies regardless of the number of insured “claims” or “regulatory proceedings” first received during the “policy period” or any applicable Extended Reporting Period.

The Identity Recovery Coverage is subject to the Identity Recovery Limit as shown in the Cyber Suite Supplemental Schedule.

2. Coverage Sublimits

a. Data Compromise Sublimits

The most we will pay under Data Compromise Response Expenses for Forensic IT Review, Legal Review, Public Relations, Regulatory Fines and Penalties and PCI Fines and Penalties coverages for “loss” arising from any one “personal data compromise” is the applicable sublimit for each of those coverages shown in the Cyber Suite Supplemental Schedule.

These sublimits are part of, and not in addition to, the First Party Annual Aggregate Limit shown in the Cyber Suite Supplemental Schedule. Public Relations coverage is also subject to a limit per “affected individual” as described in **A.1.b.(5)**.

b. Computer Attack Sublimits

The most we will pay under Computer Attack for Loss of Business and Extended Income Recovery coverages for “loss” arising from any one “computer attack” is the applicable Loss of Business sublimit shown in the Cyber Suite Supplemental Schedule. The most we will pay under Computer Attack for Public Relations coverage for “loss” arising from any one “computer attack” is the applicable Public Relations sublimit shown in the Cyber Suite Supplemental Schedule. These sublimits are part of, and not in addition to, the First Party Annual Aggregate Limit shown in the Cyber Suite Supplemental Schedule.

c. Cyber Extortion Sublimit

The most we will pay under Cyber Extortion coverage for “loss” arising from one “cyber extortion threat” is the applicable sublimit shown in the Cyber Suite Supplemental Schedule. This sublimit is part of, and not in addition to, the First Party Annual Aggregate Limit shown in the Cyber Suite Supplemental Schedule.

d. Misdirected Payment Fraud Sublimit

The most we will pay under Misdirected Payment Fraud coverage for “loss” arising from one “wrongful transfer event” is the applicable sublimit shown in the Cyber Suite Supplemental Schedule. This sublimit is part of, and not in addition to, the First Party Annual Aggregate Limit shown in the Cyber Suite Supplemental Schedule.

e. Computer Fraud Sublimit

The most we will pay under Computer Fraud coverage for “loss” arising from one “computer fraud event” is the applicable sublimit shown in the Cyber Suite Supplemental Schedule. This sublimit is part of, and not in addition to, the First Party Annual Aggregate Limit shown in the Cyber Suite Supplemental Schedule.

f. Identity Recovery Sublimits

The following provisions are applicable only to the Identity Recovery Coverage.

- (1)** Case Management Service is available as needed for any one “identity theft” for up to twelve (12) consecutive months from the inception of the service. Expenses we incur to provide Case Management Services do not reduce the annual aggregate limit for Identity Recovery.
- (2)** Costs covered under item d. (Legal Costs) of the definition of “identity recovery expenses” are part of, and not in addition to, the annual aggregate limit for Identity Recovery.
- (3)** Costs covered under item e. (Lost Wages) and item f. (Child and Elder Care Expenses) of the definition of “identity recovery expenses” are jointly subject to the Lost Wages and Child and Elder Care sublimit shown in the Cyber Suite Supplemental Schedule. This sublimit is part of, and not in addition to, the annual aggregate limit for Identity Recovery. Coverage is limited to wages lost and expenses incurred within twelve (12) months after the first discovery of the “identity theft” by the “identity recovery insured”.
- (4)** Costs covered under item g. (Mental Health Counseling) of the definition of “identity recovery expenses” is subject to the Mental Health Counseling sublimit shown in the Cyber Suite Supplemental Schedule. This sublimit is part of, and not in addition to, the annual aggregate limit for Identity Recovery. Coverage is limited to counseling that takes place within twelve (12) months after the first discovery of

the “identity theft” by the “identity recovery insured”.

- (5) Costs covered under item h. (Miscellaneous Unnamed Costs) of the definition of “identity recovery expenses” is subject to the Miscellaneous Unnamed Costs sublimit shown in the Cyber Suite Supplemental Schedule. This sublimit is part of, and not in addition to, the annual aggregate limit for Identity Recovery. Coverage is limited to costs incurred within twelve (12) months after the first discovery of the “identity theft” by the “identity recovery insured”.

3. Application of Limits

- a. A “computer attack”, “cyber extortion threat”, “personal data compromise”, “wrongful transfer event”, “computer fraud event” or “identity theft” may be first discovered by you in one “policy period” but it may cause insured “loss” in one or more subsequent “policy periods”. If so, all insured “loss” arising from such “computer attack”, “cyber extortion threat”, “personal data compromise”, “wrongful transfer event”, “computer fraud event” or “identity theft” will be subject to the limit of insurance applicable to the “policy period” when the “computer attack”, “cyber extortion threat”, “personal data compromise”, “wrongful transfer event”, “computer fraud event” or “identity theft” was first discovered by you.
- b. You may first receive notice of a “claim” or “regulatory proceeding” in one “policy period” but it may cause insured “loss” in one or more subsequent “policy periods”. If so, all insured “loss” arising from such “claim” or “regulatory proceeding” will be subject to the limit of insurance applicable to the “policy period” when notice of the “claim” or “regulatory proceeding” was first received by you.
- c. The limit of insurance for the Extended Reporting Periods (if applicable) will be part of, and not in addition to, the limit of insurance for the immediately preceding “policy period”.
- d. Coverage for Services to Affected Individuals under Data Compromise Response Expenses is limited to costs to provide such services for a period of up to one (1) year from the date of the notification to the “affected individuals”. Notwithstanding, coverage for Identity Restoration Case Management services initiated within such one (1) year period may continue for a period of up to one (1) year from the date such Identity Restoration Case Management services are initiated.

D. DEDUCTIBLES

- 1. We will not pay for “loss” until the amount of the insured “loss” exceeds the deductible amount shown in the Cyber Suite Supplemental Schedule. We will then pay the amount of “loss” in excess of the applicable deductible amount, subject to the applicable limits shown in the Cyber Suite Supplemental Schedule. You will be responsible for the applicable deductible amount.
- 2. The deductible will apply to all:
 - a. “Loss” arising from the same insured event or interrelated insured events under Data Compromise Response Expenses, Computer Attack, Cyber Extortion, Misdirected Payment Fraud, or Computer Fraud.
 - b. “Loss” resulting from the same “wrongful act” or interrelated “wrongful acts” insured under Data Compromise Liability, Network Security Liability or Electronic Media Liability.
- 3. In the event that “loss” is insured under more than one coverage section, only the single highest deductible applies.
- 4. Insurance coverage under Identity Recovery is not subject to a deductible.

E. ADDITIONAL CONDITIONS

The following conditions apply in addition to the Common Policy Conditions:

1. Bankruptcy

The bankruptcy or insolvency of you or your estate, will not relieve you or us of any obligation under this Cyber Coverage.

2. Defense And Settlement

- a. We shall have the right and the duty to assume the defense of any applicable “claim” or “regulatory proceeding” against you. You shall give us such information and cooperation as we may reasonably require.
- b. You shall not admit liability for or settle any “claim” or “regulatory proceeding” or incur any “defense costs” without our prior written consent.
- c. At the time a “claim” or “regulatory proceeding” is first reported to us, you may request that we appoint a defense attorney of your choice. We will give full consideration to any such request.
- d. If you refuse to consent to any settlement recommended by us and acceptable to the claimant, we may then withdraw from your defense by tendering control of the defense to you. From that point forward, you shall, at your own expense, negotiate or defend such “claim” or “regulatory proceeding” independently of us. Our liability shall not exceed the amount for which the “claim” or suit could have been settled if such recommendation was consented to, plus “defense costs” incurred by us, and “defense costs” incurred by you with our written consent, prior to the date of such refusal.
- e. We will not be obligated to pay any “loss” or “defense costs”, or to defend or continue to defend any “claim” or “regulatory proceeding” after the applicable limit of insurance has been exhausted.
- f. We will pay all interest on that amount of any judgment within the applicable limit of insurance which accrues:
 - (1) After entry of judgment; and
 - (2) Before we pay, offer to pay or deposit in court that part of the judgment within the applicable limit of insurance or, in any case, before we pay or offer to pay the entire applicable limit of insurance.

These interest payments will be in addition to and not part of the applicable limit of insurance.

3. Due Diligence

You agree to use due diligence to prevent and mitigate “loss” insured under this Cyber Coverage. This includes, but is not limited to, complying with, and requiring your vendors to comply with, reasonable and industry-accepted protocols for:

- a. Providing and maintaining appropriate physical security for your premises, “computer systems” and hard copy files;
- b. Providing and maintaining appropriate computer and Internet security;

- c. Maintaining and updating at appropriate intervals backups of computer data;
- d. Protecting transactions, such as processing credit card, debit card and check payments; and
- e. Appropriate disposal of files containing “personally identifying information”, “personally sensitive information” or “third party corporate data”, including shredding hard copy files and destroying physical media used to store electronic data.

4. Duties in the Event of a Claim, Regulatory Proceeding or Loss

- a. If, during the “policy period”, incidents or events occur which you reasonably believe may give rise to a “claim” or “regulatory proceeding” for which coverage may be provided hereunder, such belief being based upon either written notice from the potential claimant or the potential claimant’s representative; or notice of a complaint filed with a federal, state or local agency; or upon an oral “claim”, allegation or threat, you shall give written notice to us as soon as practicable and either:
 - (1) Anytime during the “policy period”; or
 - (2) Anytime during the extended reporting periods (if applicable).
- b. If a “claim” or “regulatory proceeding” is brought against you, you must:
 - (1) Immediately record the specifics of the “claim” or “regulatory proceeding” and the date received;
 - (2) Provide us with written notice, as soon as practicable, but in no event more than sixty (60) days after the date the “claim” or “regulatory proceeding” is first received by you;
 - (3) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the “claim” or “regulatory proceeding”;
 - (4) Authorize us to obtain records and other information;
 - (5) Cooperate with us in the investigation, settlement or defense of the “claim” or “regulatory proceeding”;
 - (6) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to you because of “loss” or “defense costs” to which this insurance may also apply; and
 - (7) Not take any action, or fail to take any required action, that prejudices your rights or our rights with respect to such “claim” or “regulatory proceeding”.
- c. In the event of a “personal data compromise”, “computer attack”, “cyber extortion threat”, “wrongful transfer event”, “computer fraud event” or “identity theft”, insured under this Cyber Coverage, you and any involved “identity recovery insured” must see that the following are done:
 - (1) Notify the police if a law may have been broken.
 - (2) Notify us as soon as practicable, but in no event more than sixty (60) days after the “personal data compromise”, “computer attack”, “cyber extortion threat”, “wrongful transfer event”, “computer fraud event” or “identity theft”. Include a description of any property involved.
 - (3) As soon as possible, give us a description of how, when and where the “personal

data compromise", "computer attack", "cyber extortion threat", "wrongful transfer event", "computer fraud event" or "identity theft" occurred.

- (4) As often as may be reasonably required, permit us to:
 - (a) Inspect the property proving the "personal data compromise", "computer attack", "cyber extortion threat", "wrongful transfer event", "computer fraud event" or "identity theft";
 - (b) Examine your books, records, electronic media and records and hardware;
 - (c) Take samples of damaged and undamaged property for inspection, testing and analysis; and
 - (d) Make copies from your books, records, electronic media and records and hardware.
- (5) Send us signed, sworn proof of "loss" containing the information we request to investigate the "personal data compromise", "computer attack", "cyber extortion threat", "wrongful transfer event", "computer fraud event" or "identity theft". You must do this within sixty (60) days after our request. We will supply you with the necessary forms.
- (6) Cooperate with us in the investigation or settlement of the "personal data compromise", "computer attack", "cyber extortion threat", "wrongful transfer event", "computer fraud event" or "identity theft".
- (7) If you intend to continue your business, you must resume all or part of your operations as quickly as possible.
- (8) Make no statement that will assume any obligation or admit any liability, for any "loss" for which we may be liable, without our prior written consent.
- (9) Promptly send us any legal papers or notices received concerning the "loss".
- d. We may examine you under oath at such times as may be reasonably required, about any matter relating to this insurance or the "claim", "regulatory proceeding" or "loss", including your books and records. In the event of an examination, your answers must be signed.
- e. You may not, except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense without our prior written consent.

5. Extended Reporting Periods

- a. You will have the right to the Extended Reporting Periods described in this section, in the event of a "termination of coverage".
- b. If a "termination of coverage" has occurred, you will have the right to the following:
 - (1) At no additional premium, an Automatic Extended Reporting Period of thirty (30) days immediately following the effective date of the "termination of coverage" during which you may first receive notice of a "claim" or "regulatory proceeding" arising directly from a "wrongful act" occurring before the end of the "policy period" and which is otherwise insured by this Cyber Coverage; and
 - (2) Upon payment of the additional premium of one hundred percent (100%) of the full annual premium associated with the relevant coverage, a Supplemental Extended Reporting Period of one (1) year immediately following the effective date of the "termination of coverage" during which you may first receive notice of a "claim" or "regulatory proceeding" arising directly from a "wrongful act" occurring before the

end of the “policy period” and which is otherwise insured by this Cyber Coverage.

To obtain the Supplemental Extended Reporting Period, you must request it in writing and pay the additional premium due, within thirty (30) days after the effective date of “termination of coverage”. The additional premium for the Supplemental Extended Reporting Period will be fully earned at the inception of the Supplemental Extended Reporting Period. If we do not receive the written request as required, you may not exercise this right at a later date.

This insurance, provided during the Supplemental Extended Reporting Period, is excess over any other valid and collectible insurance that begins or continues in effect after the Supplemental Extended Reporting Period becomes effective, whether the other insurance applies on a primary, excess, contingent, or any other basis.

6. Identity Recovery Help Line

For assistance, if Identity Recovery applies, the “identity recovery insured” should call the **Identity Recovery Help Line at 1-877-319-6382**.

The **Identity Recovery Help Line** can provide the “identity recovery insured” with:

- a. Information and advice for how to respond to a possible “identity theft”; and
- b. Instructions for how to submit a service request for Case Management Service and/or a claim form for Expense Reimbursement Coverage.

In some cases, we may provide Case Management services at our expense to an “identity recovery insured” prior to a determination that a covered “identity theft” has occurred. Our provision of such services is not an admission of liability under the Cyber Coverage. We reserve the right to deny further coverage or service if, after investigation, we determine that a covered “identity theft” has not occurred.

As respects Expense Reimbursement Coverage, the “identity recovery insured” must send to us, within sixty (60) days after our request, receipts, bills or other records that support his or her “claim” for “identity recovery expenses”.

7. Legal Action Against Us

No one may bring a legal action against us under this insurance unless:

- a. There has been full compliance with all of the terms of this insurance; and
- b. The action is brought within two (2) years after the date the “loss” or “identity theft” is first discovered by you, or the date on which you first receive notice of a “claim” or “regulatory proceeding”.

8. Legal Advice

We are not your legal advisor. Our determination of what is or is not insured under this Cyber Coverage does not represent advice or counsel from us about what you should or should not do.

9. Other Insurance

If there is other insurance that applies to the same “loss”, this Cyber Coverage shall apply only as excess insurance after all other applicable insurance has been exhausted.

10. Pre-Notification Consultation

You agree to consult with us prior to the issuance of notification to “affected individuals”. We assume no responsibility under Data Compromise Response Expenses for any services promised to “affected individuals” without our prior agreement. If possible, this pre-notification consultation will also include the designated service provider(s) as agreed to under the Service Providers condition below. You must provide the following at our pre-notification consultation with you:

- a. The exact list of “affected individuals” to be notified, including contact information.
- b. Information about the “personal data compromise” that may appropriately be communicated with “affected individuals”.
- c. The scope of services that you desire for the “affected individuals”. For example, coverage may be structured to provide fewer services in order to make those services available to more “affected individuals” without exceeding the available Data Compromise Response Expenses limit of insurance.

11. Service Providers

- a. We will only pay under this Cyber Coverage for services that are provided by service providers approved by us. You must obtain our prior approval for any service provider whose expenses you want covered under this Cyber Coverage. We will not unreasonably withhold such approval.
- b. Prior to the Pre-Notification Consultation described in the Pre-Notification Consultation Condition above, you must come to agreement with us regarding the service provider(s) to be used for the Notification to Affected Individuals and Services to Affected Individuals. We will suggest a service provider. If you prefer to use an alternate service provider, our coverage is subject to the following limitations:
 - (1) Such alternate service provider must be approved by us;
 - (2) Such alternate service provider must provide services that are reasonably equivalent or superior in both kind and quality to the services that would have been provided by the service provider we had suggested; and
 - (3) Our payment for services provided by any alternate service provider will not exceed the amount that we would have paid using the service provider we had suggested.

12. Services

The following conditions apply as respects any services provided to you or any “affected individual” or “identity recovery insured” by us, our designees or any service firm paid for in whole or in part under this Cyber Coverage:

- a. The effectiveness of such services depends on the cooperation and assistance of you, “affected individuals” and “identity recovery insureds”.
- b. All services may not be available or applicable to all individuals. For example, “affected individuals” and “identity recovery insureds” who are minors or foreign nationals may not have credit records that can be provided or monitored. Service in Canada will be different from service in the United States and Puerto Rico in accordance with local conditions.
- c. We do not warrant or guarantee that the services will end or eliminate all problems

associated with the covered events.

- d. Except for the services of an “identity recovery case manager” under Identity Recovery, which we will provide directly, you will have a direct relationship with the professional service firms paid for in whole or in part under this Cyber Coverage. Those firms work for you.

13. Valuation

We will determine the value of “money” as follows:

Our payment for loss of “money” or loss payable in “money” will be, at your option, in the “money” of the country in which the “wrongful transfer event” or “computer fraud event” took place or in the United States of America dollar equivalent thereof determined at the rate of exchange published by the Wall Street Journal at the time of payment of such loss.

F. DEFINITIONS

1. **“Affected Individual”** means any person whose “personally identifying information” or “personally sensitive information” is lost, stolen, accidentally released or accidentally published by a “personal data compromise” covered under this Cyber Coverage. This definition is subject to the following provisions:
 - a. Affected individual does not include any business or organization. Only an individual person may be an affected individual.
 - b. An affected individual may reside anywhere in the world.
2. **“Authorized Representative”** means a person or entity authorized by law or contract to act on behalf of an “identity recovery insured”.
3. **“Authorized Third Party User”** means a party who is not an employee or a director of you who is authorized by contract or other agreement to access the “computer system” for the receipt or delivery of services.
4. **“Bodily Injury”** means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
5. **“Business Income and Extra Expense Loss”** means loss of Business Income and Extra Expense.
 - a. As used in this definition, Business Income means the sum of:
 - (1) Net income (net profit or loss before income taxes) that would have been earned or incurred; and
 - (2) Continuing normal and necessary operating expenses incurred, including employee and director payroll.
 - b. As used in this definition, Extra Expense means the additional cost you incur to operate your business over and above the cost that you normally would have incurred to operate your business during the same period had no “computer attack” occurred.
6. **“Claim”**
 - a. Claim means:

- (1) A written demand for monetary damages or non-monetary relief, including injunctive relief;
- (2) A civil proceeding commenced by the filing of a complaint;
- (3) An arbitration proceeding in which such damages are claimed and to which you must submit or do submit with our consent;
- (4) Any other alternative dispute resolution proceeding in which such damages are claimed and to which you must submit or to which we agree you should submit to;

arising from a “wrongful act” or a series of interrelated “wrongful acts” including any resulting appeal.

b. Claim does not mean or include:

- (1) Any demand or action brought by or on behalf of someone who is:

- (a) Your director;
- (b) Your owner or part-owner; or
- (c) A holder of your securities;

in their capacity as such, whether directly, derivatively, or by class action. Claim will include proceedings brought by such individuals in their capacity as “affected individuals”, but only to the extent that the damages claimed are the same as would apply to any other “affected individual”; or

- (2) A “regulatory proceeding”

- c.** Includes a demand or proceeding arising from a “wrongful act” that is a “personal data compromise” only when the “personal data compromise” giving rise to the proceeding was covered under Data Compromise Response Expenses section of this Cyber Coverage, and you submitted a claim to us and provided notifications and services to “affected individuals” in consultation with us pursuant to Data Compromise Response Expenses in connection with such “personal data compromise”.

7. “Computer Attack”

- a.** Computer attack means one of the following involving the “computer system”:

- (1) An “unauthorized access incident”;
- (2) A “malware attack”; or
- (3) A “denial of service attack” against a “computer system”

- b.** A computer attack ends at the earlier of:

- (1) The time that the active attacking behavior ceases, the time that you have regained control over the “computer system” or the time that all unauthorized creation, destruction or movement of data associated with the computer attack has ceased, whichever happens latest; or
- (2) Thirty (30) days after your discovery of the computer attack.

8. **“Computer Fraud Costs”** means:
- a. The amount of “money” fraudulently obtained from you. Computer fraud costs include the direct financial loss only.
 - b. Computer fraud costs do not include any of the following:
 - (1) Other expenses that arise from the “computer fraud event”;
 - (2) Indirect loss, such as “injury”, lost time, lost wages, “identity recovery expenses” or damaged reputation;
 - (3) Any interest, time value or potential investment gain on the amount of financial loss; or
 - (4) Any portion of such amount that has been or can reasonably be expected to be reimbursed by a third party, such as a financial institution.
9. **“Computer Fraud Event”** means:
- a. An “unauthorized access incident” that leads to the intentional, unauthorized and fraudulent entry of or change to data or instructions within a “computer system” owned or leased by you and operated under your control. Such fraudulent entry or change must be conducted by a person who is not an “employee”, “executive” or “independent contractor”. Such fraudulent entry or change must cause “money” to be sent or diverted. The fraudulent entry or change must result in direct financial loss to you.
 - b. Computer fraud event does not mean or include any occurrence:
 - (1) In which you are threatened or coerced to send “money” or divert a payment; or
 - (2) Arising from a dispute or a disagreement over the completeness, authenticity or value of a product, a service or a financial instrument.
10. **“Computer System”** means a computer or other electronic hardware that:
- a. Is owned or leased by you and operated under your control; or
 - b. Is operated by a third-party service provider used for the purpose of providing hosted computer application services to you or for processing, maintaining, hosting or storing your electronic data, pursuant to a written contract with you for such services. However, such computer or other electronic hardware operated by such third party shall only be considered to be a computer system with respect to the specific services provided by such third party to you under such contract.
11. **“Coverage Term”** means the increment of time:
- a. Commencing on the earlier of the first inception date of this Cyber Coverage or the first inception date of any coverage substantially similar to that described in this Cyber Coverage and held immediately prior to this Cyber coverage; and
 - b. Ending upon the “termination of coverage”.
12. **“Coverage Territory”** means:
- a. With respect to Data Compromise Response Expenses, Computer Attack, Cyber Extortion, Misdirected Payment Fraud, Computer Fraud and Identity Recovery, coverage territory means anywhere in the world.

- b. With respect to Data Compromise Liability, Network Security Liability and Electronic Media Liability, coverage territory means anywhere in the world, however “claims” must be brought within the United States (including its territories and possessions) or Puerto Rico.

13. “Cyber Extortion Expenses” means:

- a. The cost of a negotiator or investigator retained by you in connection with a “cyber extortion threat”; and
- b. Any amount paid by you in response to a “cyber extortion threat” to the party that made the “cyber extortion threat” for the purposes of eliminating the “cyber extortion threat” when such expenses are necessary and reasonable and arise directly from a “cyber extortion threat”. The payment of cyber extortion expenses must be approved in advance by us. We will not pay for cyber extortion expenses that have not been approved in advance by us. We will not unreasonably withhold our approval.

14. “Cyber Extortion Threat” means:

- a. Cyber extortion threat means a demand for money from you based on a credible threat, or series of related credible threats, to:
 - (1) Launch a “denial of service attack” against the “computer system” for the purpose of denying “authorized third party users” access to your services provided through the “computer system” via the Internet;
 - (2) Gain access to a “computer system” and use that access to steal, release or publish “personally identifying information”, “personally sensitive information” or “third party corporate data”;
 - (3) Alter, damage or destroy electronic data or software while such electronic data or software is stored within a “computer system”;
 - (4) Launch a “computer attack” against a “computer system” in order to alter, damage or destroy electronic data or software while such electronic data or software is stored within a “computer system”; or
 - (5) Cause you to transfer, pay or deliver any funds or property using a “computer system” without your authorization.
- b. Cyber extortion threat does not mean or include any threat made in connection with a legitimate commercial dispute.

15. “Data Re-creation Costs”

- a. Data re-creation costs means the costs of an outside professional firm hired by you to research, re- create and replace data that has been lost or corrupted and for which there is no electronic source available or where the electronic source does not have the same or similar functionality to the data that has been lost or corrupted.
- b. Data re-creation costs does not mean or include costs to research, re-create or replace:
 - (1) Software programs or operating systems that are not commercially available; or
 - (2) Data that is obsolete, unnecessary or useless to you.

16. “Data Restoration Costs”

- a. Data restoration costs means the costs of an outside professional firm hired by you to replace electronic data that has been lost or corrupted. In order to be considered data restoration costs, such replacement must be from one or more electronic sources with the same or similar functionality to the data that has been lost or corrupted.
 - b. Data restoration costs does not mean or include costs to research, re-create or replace:
 - (1) Software programs or operating systems that are not commercially available; or
 - (2) Data that is obsolete, unnecessary or useless to you.
- 17. **“Defense Costs”**
 - a. Defense costs means reasonable and necessary expenses consented to by us resulting solely from the investigation, defense and appeal of any “claim” or “regulatory proceeding” against you. Such expenses may include premiums for any appeal bond, attachment bond or similar bond. However, we have no obligation to apply for or furnish such bond.
 - b. Defense costs does not mean or include the salaries or wages of your employees or directors, or your loss of earnings.
- 18. **“Denial of Service Attack”** means an intentional attack against a target computer or network of computers designed to overwhelm the capacity of the target computer or network in order to deny or impede authorized users from gaining access to the target computer or network through the Internet.
- 19. **“Electronic Media Incident”** means an allegation that the display of information in electronic form by you on a website resulted in:
 - a. Infringement of another’s copyright, title, slogan, trademark, trade name, trade dress, service mark or service name;
 - b. Defamation against a person or organization that is unintended; or
 - c. A violation of a person’s right of privacy, including false light and public disclosure of private facts.
- 20. **“Employee”** means any natural person, other than an “executive”, who was, now is or will be:
 - a. Employed on a full-time or part-time basis by you;
 - b. Furnished temporarily to you to substitute for a permanent employee on leave or to meet seasonal or short-term workload conditions;
 - c. Leased to you by a labor leasing firm under an agreement between you and the labor leasing firm to perform duties related to the conduct of your business, but does not mean a temporary employee as defined in paragraph b.; or
 - d. Your volunteer worker, which includes unpaid interns.
- 21. **“Executive”** means any natural person who was, now is or will be:
 - a. The owner of your sole proprietorship; or
 - b. A duly elected or appointed:
 - (1) Director;

- (2) Officer;
- (3) Managing Partner;
- (4) General Partner;
- (5) Member (if a limited liability company);
- (6) Manager (if a limited liability company); or
- (7) Trustee;

of your business.

- 22. **“Extended Income Loss”** means your actual “business income and extra expense loss” incurred during the “extended recovery period”.
- 23. **“Extended Recovery Period”** means a fixed period of one hundred eighty (180) days immediately following the end of the “period of restoration”.
- 24. **“Identity Recovery Case Manager”** means one or more individuals assigned by us to assist an “identity recovery insured” with communications we deem necessary for re-establishing the integrity of the personal identity of the “identity recovery insured”. This includes, with the permission and cooperation of the “identity recovery insured”, written and telephone communications with law enforcement authorities, governmental agencies, credit agencies and individual creditors and businesses.
- 25. **“Identity Recovery Expenses”** means the following when they are reasonable and necessary expenses that are incurred as a direct result of an “identity theft” suffered by an “identity recovery insured”:

- a. **Re-Filing Costs**

Costs for re-filing applications for loans, grants or other credit instruments that are rejected solely as a result of an “identity theft”.

- b. **Notarization, Telephone and Postage Costs**

Costs for notarizing affidavits or other similar documents, long distance telephone calls and postage solely as a result of the “identity recovery insured’s” efforts to report an “identity theft” or amend or rectify records as to the “identity recovery insured’s” true name or identity as a result of an “identity theft”.

- c. **Credit Reports**

Costs for credit reports from established credit bureaus.

- d. **Legal Costs**

Fees and expenses for an attorney approved by us for the following:

- (1) The defense of any civil suit brought against an “identity recovery insured”.
- (2) The removal of any civil judgment wrongfully entered against an “identity recovery insured”.

- (3) Legal assistance for an “identity recovery insured” at an audit or hearing by a governmental agency.
- (4) Legal assistance in challenging the accuracy of the “identity recovery insured’s” consumer credit report.
- (5) The defense of any criminal charges brought against an “identity recovery insured” arising from the actions of a third party using the personal identity of the “identity recovery insured”.

e. Lost Wages

Actual lost wages of the “identity recovery insured” for time reasonably and necessarily taken away from work and away from the work premises. Time away from work includes partial or whole work days. Actual lost wages may include payment for vacation days, discretionary days, floating holidays and paid personal days. Actual lost wages does not include sick days or any loss arising from time taken away from self-employment. Necessary time off does not include time off to do tasks that could reasonably have been done during non-working hours.

f. Child and Elder Care Expenses

Actual costs for supervision of children or elderly or infirm relatives or dependents of the “identity recovery insured” during time reasonably and necessarily taken away from such supervision. Such care must be provided by a professional care provider who is not a relative of the “identity recovery insured”.

g. Mental Health Counseling

Actual costs for counseling from a licensed mental health professional. Such care must be provided by a professional care provider who is not a relative of the “identity recovery insured”.

h. Miscellaneous Unnamed Costs

Any other reasonable costs necessarily incurred by an “identity recovery insured” as a direct result of the “identity theft”.

- (1) Such costs include:
 - (a) Costs by the “identity recovery insured” to recover control over his or her personal identity.
 - (b) Deductibles or service fees from financial institutions.
- (2) Such costs do not include:
 - (a) Costs to avoid, prevent or detect “identity theft” or other loss.
 - (b) Money lost or stolen.
 - (c) Costs that are restricted or excluded elsewhere in this Cyber Coverage or policy.

26. “Identity Recovery Insured” means the following:

- a. When the entity insured under this Cyber Coverage is a sole proprietorship, the identity

recovery insured is the individual person who is the sole proprietor of the insured identity.

- b. When the entity insured under this Cyber Coverage is a partnership, the identity recovery insureds are the current partners.
- c. When the entity insured under this Cyber Coverage is a corporation or other form of organization, other than those described in **a.** or **b.** above, the identity recovery insureds are all individuals having an ownership position of twenty percent (20%) or more of the insured entity. However, if, and only if, there is no one who has such an ownership position, then the identity recovery insured will be:
 - (1) The chief executive of the insured entity; or
 - (2) As respects a religious institution, the senior ministerial employee.

An identity recovery insured must always be an individual person. If the entity insured under this Cyber Coverage is a legal entity, that legal entity is not an identity recovery insured.

27. “Identity Theft”

- a. Identity theft means the fraudulent use of “personally identifying information”. This includes fraudulently using such information to establish credit accounts, secure loans, enter into contracts or commit crimes.
- b. Identity theft does not mean or include the fraudulent use of a business name, d/b/a or any other method of identifying a business activity.

28. “Independent Contractor” means a natural person that provides goods or services to you under terms specified in a written contract, but only while acting on behalf of, at the direction of, and under the supervision of you.

29. “Loss”

- a. With respect to Data Compromise Response Expenses, loss means those expenses enumerated in Data Compromise Response Expenses, paragraph **b.**
- b. With respect to Computer Attack, loss means those expenses enumerated in Computer Attack, paragraph
- c. With respect to Cyber Extortion, loss means “cyber extortion expenses”.
- d. With respect to Misdirected Payment Fraud, loss means “wrongful transfer costs”.
- e. With respect to Computer Fraud, loss means “computer fraud costs”.
- f. With respect to Data Compromise Liability, Network Security Liability and Electronic Media Liability, loss means “defense costs” and “settlement costs”.
- g. With respect to Identity Recovery, loss means those expenses enumerated in Identity Recovery, paragraph **b.**

30. “Malware Attack”

- a. Malware attack means an attack that damages a “computer system” or data contained therein arising from malicious code, including viruses, worms, Trojans, spyware and keyloggers.

- b. Malware attack does not mean or include damage from shortcomings or mistakes in legitimate electronic code or damage from code installed on your “computer system” during the manufacturing process or normal maintenance.
- 31. **“Money”** means:
 - a. Money means a medium of exchange in current use and authorized or adopted by a domestic or foreign government, including currency, coins, banknotes, bullion, travelers’ checks, registered checks and money orders held for sale to the public.
 - b. Money does not mean or include any cryptocurrency, whether or not authorized or adopted by a domestic or foreign government. Cryptocurrency includes, but is not limited to, Bitcoin, Ethereum and other forms of digital, virtual or electronic currency.
- 32. **“Network Security Incident”** means a negligent security failure or weakness with respect to a “computer system” which allowed one or more of the following to happen:
 - a. The unintended propagation or forwarding of malware, including viruses, worms, Trojans, spyware and keyloggers. Malware does not include shortcomings or mistakes in legitimate electronic code;
 - b. The unintended abetting of a “denial of service attack” against one or more other systems; or
 - c. The unintended loss, release or disclosure of “third party corporate data”.
- 33. **“Period of Restoration”** means the period of time that begins eight (8) hours after the time that a “computer attack” is discovered by you and continues until the earliest of:
 - a. The date that all data restoration, data re-creation and system restoration directly related to the “computer attack” has been completed;
 - b. The date on which such data restoration, data re-creation and system restoration could have been completed with the exercise of due diligence and dispatch; or
 - c. If no data restoration, data re-creation or system restoration is required, the end of the “computer attack”.
- 34. **“Personal Data Compromise”** means the loss, theft, accidental release or accidental publication of “personally identifying information” or “personally sensitive information” as respects one or more “affected individuals”. If the loss, theft, accidental release or accidental publication involves “personally identifying information”, such loss, theft, accidental release or accidental publication must result in or have the reasonable possibility of resulting in the fraudulent use of such information. This definition is subject to the following provisions:
 - a. At the time of the loss, theft, accidental release or accidental publication, the “personally identifying information” or “personally sensitive information” need not be at the insured premises but must be in the direct care, custody or control of:
 - (1) You; or
 - (2) A professional entity with which you have a direct relationship and to which you (or an “affected individual” at your direction) have turned over (directly or via a professional transmission or transportation provider) such information for storage, processing, transmission or transportation of such information.

- b. Personal data compromise includes disposal or abandonment of “personally identifying information” or “personally sensitive information” without appropriate safeguards such as shredding or destruction, provided that the failure to use appropriate safeguards was accidental and not reckless or deliberate.
- c. Personal data compromise includes situations where there is a reasonable cause to suspect that such “personally identifying information” or “personally sensitive information” has been lost, stolen, accidentally released or accidentally published, even if there is no firm proof.
- d. All incidents of personal data compromise that are discovered at the same time or arise from the same cause will be considered one personal data compromise.

35. “Personally Identifying Information”

- a. Personally identifying information means information, including health information, that could be used to commit fraud or other illegal activity involving the credit, access to health care or identity of an “affected individual” or “identity recovery insured”. This includes, but is not limited to, Social Security numbers or account numbers.
- b. Personally identifying information does not mean or include information that is otherwise available to the public, such as names and addresses.

36. “Personally Sensitive Information”

- a. Personally sensitive information means private information specific to an individual the release of which requires notification of “affected individuals” under any applicable law.
- b. Personally sensitive information does not mean or include “personally identifying information”.

37. “Policy Period” means the period commencing on the effective date shown in the Cyber Suite Supplemental Schedule. The policy period ends on the expiration date or the cancellation date of this Cyber Coverage, whichever comes first.

38. “Property Damage” means

- a. Physical injury to or destruction of tangible property including all resulting loss of use; or
- b. Loss of use of tangible property that is not physically injured.

39. “Regulatory Proceeding” means an investigation, demand or proceeding alleging a violation of law or regulation arising from a “personal data compromise” brought by, or on behalf of, the Federal Trade Commission, Federal Communications Commission or other administrative or regulatory agency, or any federal, state, local or foreign governmental entity in such entity’s regulatory or official capacity.

40. “Settlement Costs”

- a. Settlement costs means the following, when they arise from a “claim”:
 - (1) Damages, judgments or settlements; and
 - (2) Attorney’s fees and other litigation costs added to that part of any judgment paid by us, when such fees and costs are awarded by law or court order; and
 - (3) Pre-judgment interest on that part of any judgment paid by us.

- b. Settlement costs does not mean or include:
- (1) Civil or criminal fines or penalties imposed by law, except for civil fines and penalties expressly covered under Data Compromise Response Expenses;
 - (2) Punitive and exemplary damages;
 - (3) The multiple portion of any multiplied damages;
 - (4) Taxes; or
 - (5) Matters which may be deemed uninsurable under the applicable law.
- c. With respect to fines and penalties, the law of the jurisdiction most favorable to the insurability of those fines, or penalties will control for the purpose of resolving any dispute between us and you regarding whether the fines, or penalties specified in this definition above are insurable under this Cyber Coverage, provided that such jurisdiction:
- (1) Is where those fines, or penalties were awarded or imposed;
 - (2) Is where any "wrongful act" took place for which such fines, or penalties were awarded or imposed;
 - (3) Is where you are incorporated or you have your principal place of business; or
 - (4) Is where we are incorporated or have our principal place of business.

41. "System Restoration Costs"

- a. System restoration costs means the costs of an outside professional firm hired by you to do any of the following in order to restore your "computer system" to its pre-"computer attack" level of functionality:
- (1) Replace or reinstall computer software programs;
 - (2) Remove any malicious code; and
 - (3) Configure or correct the configuration of your "computer system".
- b. System restoration costs does not mean or include:
- (1) Costs to increase the speed, capacity or utility of a "computer system" beyond what existed immediately prior to the "computer attack";
 - (2) Labor costs of your employees or directors;
 - (3) Any costs in excess of the actual cash value of your "computer system"; or
 - (4) Costs to repair or replace hardware.

42. "Termination of Coverage" means:

- a. You or we cancel this coverage;
- b. You or we refuse to renew this coverage; or

- c. We renew this coverage on an other than claims-made basis or with a retroactive date later than the date of the first inception of this coverage or any coverage substantially similar to that described in this Cyber Coverage.

43. “Third Party Corporate Data”

- a. Third party corporate data means any trade secret, data, design, interpretation, forecast, formula, method, practice, credit or debit card magnetic strip information, process, record, report or other item of information of a third party not an insured under this Cyber Coverage which is not available to the general public and is provided to you subject to a mutually executed written confidentiality agreement or which you are legally required to maintain in confidence.
- b. Third party corporate data does not mean or include “personally identifying information” or “personally sensitive information”.

44. “Unauthorized Access Incident” means the gaining of access to a “computer system” by:

- a. An unauthorized person or persons; or
- b. An authorized person or persons for unauthorized purposes.

45. “Wrongful Act”

- a. With respect to Data Compromise Liability, wrongful act means a “personal data compromise”.
- b. With respect to Network Security Liability, wrongful act means a “network security incident”.
- c. With respect to Electronic Media Liability, wrongful act means an “electronic media incident”.

46. “Wrongful Transfer Costs” means the amount of “money” fraudulently obtained from you. Wrongful transfer costs include the direct financial loss only. Wrongful transfer costs do not include any of the following:

- a. Other expenses that arise from the “wrongful transfer event”;
- b. Indirect loss, such as “bodily injury”, lost time, lost wages, identity recovery expenses or damaged reputation;
- c. Any interest, time value or potential investment gain on the amount of financial loss; or
- d. Any portion of such amount that has been or can reasonably be expected to be reimbursed by a third party, such as a financial institution.

47. “Wrongful Transfer Event”

- a. Wrongful transfer event means an intentional and criminal deception of you or a financial institution with which you have an account. The deception must be perpetrated by a person who is not an “employee”, “executive” or “independent contractor” using email, facsimile or telephone communications to induce you or the financial institution to send or divert “money”. The deception must result in direct financial loss to you.
- b. Wrongful transfer event does not mean or include any occurrence:
 - (1) In which you are threatened or coerced to send “money” or divert a payment; or

- (2) Arising from a dispute or disagreement over the completeness, authenticity or value of a product, a service or a financial instrument.

ALL OTHER PROVISIONS OF THIS POLICY APPLY.

REAL ESTATE PROFESSIONAL ERRORS AND OMISSIONS POLICY

THIS IS A CLAIMS MADE POLICY. THE POLICY APPLIES ONLY TO THOSE CLAIMS THAT ARE FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD. THE CLAIM MUST BE REPORTED IN WRITING TO THE COMPANY DURING THE POLICY PERIOD OR WITHIN 60 DAYS AFTER THE END OF THE POLICY PERIOD. CLAIM EXPENSES ARE GENERALLY IN ADDITION TO AND WILL NOT REDUCE THE LIMIT OF LIABILITY. HOWEVER, CERTAIN COVERAGE EXTENSIONS HAVE LIMITS OF INSURANCE THAT INCLUDE AND WILL BE REDUCED BY CLAIMS EXPENSES. PLEASE REVIEW THIS POLICY CAREFULLY.

Words and phrases that appear in **bold print** have special meanings that are defined in Section III., **DEFINITIONS**.

I. INSURING AGREEMENTS

A. Coverage

The **Company** will pay on behalf of the **Insured** all sums in excess of the deductible that the **Insured** becomes legally obligated to pay as **damages** and **claims expenses** for an act or omission including **personal injury** in the performance of **real estate services** by the **Insured**, provided that:

1. the **claim** for the act or omission must first be made against the **Insured** during the **policy period** or any applicable **extended reporting period**;
2. the **claim** must be reported in writing to the **Company** during the **policy period** or within sixty (60) days after the end of the **policy period** unless an **extended reporting period** applies;
3. such act or omission was committed on or subsequent to the **retroactive date** specified in the Declarations; and
4. prior to the inception date of this policy, no **Insured** had a basis to believe that such act or omission, or any related act or omission, might reasonably be expected to be the basis of a **claim**.

Except as provided in Section V., Items C., E. and F. below, **claim expenses** are in addition to the limit of liability.

B. Defense and Settlement

Subject to the terms, conditions and exclusions in this policy, the **Company** has the right and duty to defend any **claim** against the **Insured** even if allegations of the **claim** are groundless, false or fraudulent. Defense counsel will be designated by the **Company**, or at the **Company's** option, by the **Insured** with the **Company's** written consent and subject to the **Company's** guidelines. The **Company** is not obligated to pay any **damages** or **claim expenses** or to defend or to continue to defend any **claim** after the applicable limit of liability has been exhausted by payment of **damages**.

The **Company** will not settle any **claim** without the consent of the **Named Insured**. If the **Named Insured** refuses to consent to a settlement within the policy's applicable limit of liability that is recommended by the **Company** and acceptable to the claimant, then the **Company's** limit of liability for such **claim** will be the amount of **damages** for which the **claim** could have been settled plus all the **claims expenses** incurred up to the time the **Company** made its recommendation.

If a **claim** is resolved or concluded with the consent and knowledge of the **Named Insured** and the **Company**, within one (1) year following the date that the **claim** is reported in writing to the **Company**, the stated amount in Item 5. of the Declarations will be reduced by fifty percent (50%), but not to exceed a maximum of \$10,000 per **policy period** for all such **claims**.

C. Territory

This policy applies to an act or omission taking place anywhere in the world.

This policy shall not apply to any risk which would be in violation of the laws of the United States including, but not limited to, U.S. economic or trade sanction laws or export control laws administered by the U.S. Treasury, State, and Commerce Department.

D. Coverage Extensions

1. Fair Housing Discrimination

Fair Housing Discrimination Coverage Extension is subject to the deductible.

Subject to all other terms and conditions of this policy, this policy applies to **damages** and **claim expenses** by reason of a civil lawsuit arising out of **fair housing discrimination**. However, an aggregate "**fair housing discrimination** Limit of Liability" as stated in Item 4. B. in the declarations will apply to all **damages** and **claim expenses** for all **claims** for **fair housing discrimination**.

2. Lock-box

Lock-box Coverage Extension is not subject to the deductible.

Subject to all other terms and conditions of this policy, this policy applies to **claims** arising out of use of a **lock-box**.

3. Fungi and Bacteria

Fungi and Bacteria Coverage Extension is subject to the deductible.

4. Open House Coverage

Open House Coverage Extension is subject to the deductible.

II. SUPPLEMENTARY PAYMENTS

Supplementary payments are not subject to the deductible and are in addition to the limits of liability.

A. Reimbursement of Expenses

The **Company** will reimburse the **Insured** up to \$750.00 a day, subject to a maximum of \$50,000.00 per **policy period**, for the **Insured's** actual loss of earnings for attendance, at the **Company's** request, at a trial, hearing or arbitration involving a covered **claim** against the **Insured**. The maximum amount payable per **claim**, regardless of the number of trials, hearings, mediations or arbitrations proceedings or number of **Insureds** shall be \$10,000.00.

B. Disciplinary Proceedings

The **Company** will reimburse the **Insured** up to \$20,000.00 per disciplinary proceeding, subject to a maximum of \$50,000.00 per **policy period**, for reasonable attorneys' fees and other necessary costs, expenses or fees resulting from the investigation or defense of a covered proceeding before a real estate licensing board first commenced against the **Insured** during the **policy period** or any applicable **extended reporting period** as a result of an act or omission in the performance of **real estate services** by the **Insured** during the **policy period**.

C. Public Relations Advisory Services

The **Company** will reimburse the **Insured** up to \$25,000.00 per **public relations event**, subject to a maximum of \$50,000.00 per **policy period**, for reasonable **public relations expenses** incurred by the **Named Insured** for advisory services provided by a public relations firm to the **Named Insured** as a result of a **public relations event** which first occurs during the **policy period**.

D. Subpoena Assistance

The **Company** will reimburse the **Insured** expenses incurred in responding to a subpoena that the **Insured** first receives and reports in writing to the **Company** during the **policy period** resulting from the performance of **real estate services** by the **Insured**. The **Company** will reimburse up to \$30,000.00 in expenses per subpoena. All subpoenas arising out of **related claims** shall constitute a single subpoena for the purposes of this section.

E. First Party Cyber Liability Coverage

The **Company** will reimburse the **Named Insured** up to a maximum of \$50,000.00 per **policy period** for **data breach response costs** that the **Named Insured** incurs as a result of any and all **data breaches** that arise out of the performance of **real estate services** and first occur during the **policy period**.

F. Not-for-Profit Directors Coverage

The **Company** will reimburse the **owner/broker** of the **Named Insured** up to \$15,000.00 per **claim** or \$30,000.00 per **policy period** for **damages** or **claims expenses** for the **owner/broker's** activities as a Director or Officer of a **Not-for-Profit Organization**.

G. Identity Theft Expense Coverage

The **Company** will reimburse the **owner/broker** up to a maximum of \$10,000.00 per **policy period** for **identity theft expenses** that the **owner/broker** incurs as a result of any and all **identity theft events** that arise out of the performance of **real estate services** and first occur during the **policy period**.

H. Laptop Protection Coverage

The **Company** will reimburse the **owner/broker** up to a maximum of \$10,000.00 per **policy period** for **laptop recovery expenses** that the **owner/broker** incurs as a result of any and all **laptop loss events** that arise out of the performance of **real estate services** and first occur during the **policy period**.

III. DEFINITIONS

Bodily injury means physical injury, sickness, or disease sustained by any person including death resulting from any of these at any time. Bodily injury also means mental illness, mental anguish, emotional distress, pain or suffering, or shock sustained by that person whether or not resulting from physical injury, sickness, disease or death of any person.

Claim means a demand for money or services naming the **Insured** by reason of an act or omission in the performance of **real estate services**. A claim also includes the service of suit or the institution of an arbitration proceeding against the **Insured**.

Claim expenses means:

1. fees charged by attorneys designated by the **Company** or designated by the **Insured** with the **Company's** prior written consent; and
2. all other reasonable and necessary fees, costs and expenses resulting from the investigation, adjustment, negotiation, arbitration, mediation, defense or appeal of a **claim**, if incurred by the **Company** or by the **Insured** with the **Company's** prior written consent; and
3. premiums on appeal bonds, attachment bonds or similar bonds, however, the **Company** is not obligated to apply for or furnish any such bond.

Claim expenses do not include fees, costs or expenses of employees or officers of the **Company**, salaries, commissions, loss of earnings or other remuneration by or to any **Insured**.

Company means the insurance company named in the Declarations.

Construction manager means a person providing the following services in connection with the construction, reconstruction and renovation of real property:

1. management of facility construction, reconstruction and renovation plans;
2. development and management of construction, reconstruction and renovation contracts and subcontracts;
3. development of loss control and risk management plans in connection with the construction, reconstruction or renovation.

Damages mean any compensatory sum which the **Insured** is legally obligated to pay as a result of an act or omission including a judgment, award or settlement. Damages do not include:

1. fines, sanctions or penalties;
2. punitive, exemplary, or treble damages, unless coverage for such damages is permissible under the applicable state law;
3. the return, reduction, or restitution of fees, commissions, expenses or costs for **real estate services** performed or to be performed by the **Insured**;
4. injunctive or declaratory relief.

Data Breach means any actual theft, loss, or unauthorized acquisition, access to, or disclosure of **personally identifiable information** that has compromised the confidentiality of such **personally identifiable information**.

Data Breach Reporting Requirement means any provision in a law, statute or regulation that requires the **Insured** to provide notification to affected persons of a suspected breach of such person's **personally identifiable information**.

Data Breach Response Costs means the reasonable and necessary costs charged by a breach response vendor/consultant retained by the **Named Insured** to:

1. determine the legal applicability of and actions necessary to respond to a **data breach reporting requirement**;
2. perform computer forensics to determine the existence, cause, and scope of a **data breach**;
3. notify individuals of a **data breach** who are required to be notified pursuant to a **data breach reporting requirement**.

Extended reporting period means the period of time after the end of the **policy period** for reporting **claims** to the **Company** in writing that are made against the **Insured** during the extended reporting period by reason of an act or omission which was committed prior to the end of the **policy period** and on or subsequent to the **retroactive date**, and is otherwise covered by this policy.

Fair housing discrimination means alleged violations of Title VIII of the Civil Rights Act of 1968 or the Fair Housing Amendment Act of 1988 and any similar federal, state or local ordinance.

Fungi means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi.

Guaranteed sale listing contract means a written agreement between the **Named Insured** and the seller of a property in which the **Named Insured** agrees to purchase the property if it is not sold under the listing agreement within the time period specified in the agreement.

Identity Theft Event means the unauthorized taking or theft of **personally identifiable information** of the **owner/broker** which results in the unauthorized use of **personally identifiable information** of the **owner/broker** and results in the theft of funds of the **owner/broker**.

Identity Theft Expenses mean reasonable and necessary costs incurred by the **owner/broker** for certified mail to credit agencies, financial institutions, or similar credit grantors and reasonable expenses for notarizing required legal documentation in connection with the identity theft of the **owner/broker**.

Insured means:

1. the **Named Insured**;
2. any present or former partner, member, officer, director or employee for **real estate services** performed on behalf of the **Named Insured**;
3. any present or former independent contractor and their employees for **real estate services** performed on behalf of the **Named Insured**, but only if, prior to the date a **claim** is made, the **Named Insured** had agreed to provide insurance for the independent contractor's **real estate services**;
4. the estate, heirs, executors, administrators, assigns and legal representatives of an Insured in the event of such Insured's death, incapacity, insolvency or bankruptcy, but only for liability arising out of **real estate services** performed by or on behalf of the **Named Insured** prior to such Insured's death, incapacity, insolvency or bankruptcy; or
5. any real estate franchise corporation of which the **Named Insured** is a franchisee, but only as respects the real estate franchise corporation's liability for acts or omissions committed by an Insured on behalf of the **Named Insured**.

6. the lawful spouse or qualifying domestic partner of any present or former partner, member, officer, director, employee, or independent contractor, but only for liability arising out of **real estate services** actually or allegedly performed by such present or former partner, member, officer, director, employee, or independent contractor on behalf of the **Named Insured**. The **Company** will have no obligation to pay **damages** or **claim expenses** for any **claim** arising from any act or service actually or allegedly provided by the spouse or domestic partner of any individual to whom this policy otherwise provides coverage.

Laptop Loss Event means the loss or theft of an **owner/broker's** computer laptop used in the performance of **Real Estate Services**, including any software that is loaded on that laptop.

Laptop Recovery Expenses mean reasonable expenses to replace lost or stolen computer hardware and software used in the performance of **real estate services**.

Lock-box means a keyless entry system or similar device on property that the **Insured** has shown or listed for sale while the property is in the care, custody or control of the **Insured**.

Named Insured means the persons or entities specified in Item 1. in the Declarations.

Not-for-Profit Organization means an entity which qualifies as a nonprofit organization under Section 501(c)(3), (c)(4), (c)(6) or (c)(7) of the Internal Revenue Code of 1986, including amendments thereto. As used herein, Not-for-Profit Organization shall not include the **Named Insured** or any client of the **Named Insured**.

Open House means an advertised designated time period (up to three (3) hours) where multiple potential buyers have the opportunity to view the specified property that is listed for sale by the **Insured** while in the care, custody or control of the **Insured**.

Owner/Broker means any natural person who has an ownership interest in the **Named Insured**.

Personally Identifiable Information means information in the care, custody or control of an **Insured** that can be used to uniquely identify an individual.

Personal injury means injury other than **bodily injury**, arising out of one or more of the following offenses by reason of an act or omission by an **Insured** in the performance of **real estate services**:

1. false arrest, detention, or imprisonment;
2. malicious prosecution;
3. wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, where an **Insured** undertakes such action by or on behalf of its owner, landlord or lessor;
4.
 - a. oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; or
 - b. oral or written publication, in any manner, of material that violates a person's right of privacy; except oral or written publication in any manner which arises out of advertising, broadcasting or telecasting activities conducted by or behalf of any **Insured**, or
5. invasion of privacy by use of a drone by or on behalf of any **Insured**.

Policy period means the period of time from the effective date shown in Item 3. in the Declarations to the earliest date of termination, expiration or cancellation of this policy.

Pollutants mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

Property damage means:

1. physical injury to tangible property, including all resulting loss of use of that property; or
2. loss of use or theft of tangible property that is not physically injured.

Property Manager means a person providing the following services in connection with the management of commercial or **residential property**:

1. development and implementation of management plans and budget;
2. oversight of physical maintenance of property;
3. solicitation, evaluation and securing of tenants and management of tenant relations, collection of rent and processing evictions;
4. development, implementation and management of loss control and risk management plans for real property;
5. development, implementation and management of contracts and subcontract (excluding property and liability insurance contracts) necessary to the daily functioning of the property; or
6. personnel administration and record keeping in connection with a managed property.

Property manager does not include a **construction manager**.

Property syndication means the formation of, or engagement in, a general or limited partnership, joint venture, unincorporated association or similar organization for the purpose of investment or gain from an interest in real property, including but not limited to a sale, exchange, trade or development of such real property, on behalf of others.

Public Relations Event means:

1. departure, incapacitation, illness or death of any partner, member, officer, director, or sole proprietor-owner of the **Named Insured**.
2. dissolution of the **Named Insured**.
3. violent act, kidnapping, sexual assault, criminal firearm use, or workplace incident or accident resulting in negative local or national media coverage of the **Named Insured**.

Public Relations Expenses means reasonable fees and expenses incurred by the **Named Insured** for advisory services provided by a public relations firm to the **Named Insured** for up to sixty (60) days following a **Public Relations Event**.

Real Estate Investment Trusts means any trust, corporation, association or entity designed or used to permit investment in interests in real property, under which such interests are held and managed for the beneficial owners of the trust or other entity, whether or not it qualifies for treatment as a real estate investment trust pursuant to 26 U.S.C. 856, 857 or 858 or any other provision of the United States Internal Revenue Code.

Real estate services means those professional services performed for others in the **Insured's** capacity as a real estate agent, real estate broker, leasing agent, **property manager**, real estate auctioneer, real estate appraiser, real estate consultant or counselor, **short term escrow agent**, **referral agent**, business broker, notary public, or member of a real estate accreditation, standards review or similar real estate board or committee. Real estate services shall also include real estate services performed for others by an **Insured** on or via the **Insured's** internet, e-mail, telecommunication or similar system.

Referral agent means a real estate agent whose services are limited to referring clients to an **Insured** for the purposes of commencing a real estate transaction, and do not include active solicitation or engagement in the sale of property.

Related claims mean all **claims** arising out of a single act or omission or arising out of related acts or omissions in the performance of **real estate services**.

Residential Property means a one to four family dwelling.

Retroactive date means the date, shown in Item 7. in the Declarations, on or after which an act or omission must have been committed for coverage under this policy to apply.

Short term escrow agent means an **Insured** performing the following services:

Receiving or holding funds in, or distributing funds from, an escrow or trust account when all such funds are received in the form of United States currency, certified or guaranteed check, or money order, held separately from the **Insured's** funds and where such funds are to be fully distributed within twelve (12) months from the date received.

IV. EXCLUSIONS

The **Company** will not defend or pay any **claim**:

- A. based on or arising out of **bodily injury**;
- B. based on or arising out of **property damage** except that this exclusion will not apply to **claims** arising out of **lock-box** or an **open house**;
- C. based on or arising out of any dishonest, intentionally wrongful, fraudulent, criminal or malicious act or omission by the **Insured**. The **Company** will provide the **Insured** with a defense of such **claim** and pay **claim expenses** for any such suit which is brought alleging such dishonest, intentionally wrongful, fraudulent, criminal or malicious act or omission as a single allegation in a multiple allegation suit, provided any one allegation is covered under this policy. Criminal proceedings are not covered under this policy regardless of the allegations made against the **Insured**;
- D. based on or arising out of:
 - 1. the conversion, commingling, defalcation, misappropriation, improper use or insufficiency of funds or other property;
 - 2. the gaining of any personal profit or advantage to which the **Insured** is not legally entitled; or
 - 3. the inability or failure to pay, collect or safeguard funds held for others, unless the **Insured** is acting in the capacity of a **short term escrow agent**.

This **Exclusion D.** applies regardless of the person or entity, including any third party, that actually or allegedly committed, caused, or is responsible for such conversion, commingling, defalcation, misappropriation, improper use, or insufficiency or such inability or failure to pay, collect or safeguard.

- E.** based on or arising out of:
1. any promises, warranties, or guarantees made by an **Insured** as to the future value or future income of any property or business; or
 2. the valuation or performance of any business.
- F.** based on or arising out of:
1. nuclear reaction, contamination or radiation, including but not limited to radon, regardless of cause;
 2. the actual, alleged or threatened emission, discharge, dispersal, seepage, release or escape of **pollutants** whether suddenly or over a period of time; or any injury, damage, payments, costs or expense incurred as a result of any testing for, monitoring, removal, containment, treatment, detoxification, neutralization or cleanup of **pollutants**;
 3. lead, whether or not the lead was at any time: airborne as a particle; contained in or formed a part of a product, structure or other real or personal property; ingested or inhaled or transmitted in any fashion; or found in any form whatsoever; or
 4. asbestos, whether or not the asbestos was at any time: airborne as a fiber, particle or dust; contained in or formed a part of a product, structure or other real or personal property; carried on clothing; ingested or inhaled or transmitted in any fashion; or found in any form whatsoever;
- unless and only to the extent that, the **claim** results from the **Insured's** failure to disclose the existence of **pollutants**, asbestos, lead, or radon.
- G.** based on or arising out of the actual, alleged or threatened inhalation of, ingestion of, of contact with, exposure to, existence of, or presence of any **fungi** or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to the injury or damage; or any loss cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, **fungi** or bacteria, by an **Insured** or by any other person or entity. This Exclusion shall not apply to a **claim** for an **Insured's** failure to disclose the existence or presence of **fungi** or bacteria, provided that any **claim** based upon or arising out of an **Insured's** failure to disclose the existence or presence of **fungi** or **bacteria** shall be subject to the Fungi and Bacteria Limit of Liability set forth in Item 4.C. on the Declaration Page.
- H.** based on or arising out of discrimination, humiliation, harassment, or misconduct. This Exclusion will not apply to **fair housing discrimination**;
- I.** by or on behalf of any **Insured** against any other **Insured**;
- J.** based on or arising out of **property syndication** or **real estate investment trusts**;
- K.** based on or arising out of the purchase of property by, or the sale, leasing, appraisal, or commercial property management of property developed, constructed or owned by:
1. any **Insured**;
 2. any entity in which any **Insured** had a financial interest or a contemplated financial interest;

3. any entity which had a financial interest or a contemplated financial interest in the **Named Insured**; or
4. any entity which was under the same financial control as the **Named Insured**.

This Exclusion will not apply to any **claim** based on or arising out of:

- i. the sale or leasing of real property that the **insured** did not construct or develop and in which the combined ownership interest of all **Insureds** was less than twenty percent (20%) at the time of sale or lease;
 - ii. the sale of **residential property** by an **Insured** who is the owner of such **residential property** and all of the following conditions are met in connection with such sale:
 - a. a seller disclosure form was signed by the **Insured** and acknowledged in writing by the buyer prior to closing;
 - b. an accredited written home inspection report was issued or waived in writing by the buyer; and
 - c. a state or local board-approved standard sales contract was utilized;
 - iii. the sale, listing or management of the **Named Insured's residential property** by another **Insured** who is not the owner of such **residential property**;
 - iv. the sale, listing or management of real property by an **Insured** who is not the owner of such real property;
 - v. the sale of real property owned by an **Insured** if the property was acquired by an **Insured** under a written **guaranteed sale listing contract**, and the title is held by an **Insured** for twelve (12) months or less and the property was listed for sale continuously by an **Insured** from the date of acquisition to the date of resale;
 - vi. the management of commercial property in which an **Insured's** or all **Insureds'** controlling, legal or beneficial interest at the time property management services were performed is less than fifty percent (50%); or
 - vii. The management of **residential property** by an **Insured** who is the owner of such **residential property**.
- L. based on, arising out of, or related to actual or alleged misappropriation of ideas, information or materials; improper gaining or misuse of copyrights or trademarks; improper gaining or misuse of confidential or proprietary information, materials or trade secrets; interference with actual or prospective business relationships, contracts or contractual relationships or unfair competition.
- M. based on or arising out of any anti-trust law violation or any agreement or conspiracy to restrain trade;
- N. based on or arising out of:
1. any advice or recommendations, including the failure to provide advice or recommendations, concerning the purchase of, or need for, any type of insurance, or
 2. The failure to purchase or maintain any type of insurance.

- O.** based on or arising out of liability of others assumed by the **Insured** under any contract or agreement unless, and only to the extent that, such liability would have attached to the **Insured** even in the absence of such contract or agreement.
- P.** based on or arising out of any actual or alleged violation of:
1. the Employee Retirement Income Security Act of 1974;
 2. the Securities Act of 1933;
 3. the Securities Exchange Act of 1934; or
 4. any state Blue Sky or Securities law;
- or any rules, regulations or amendments issued in relation to such acts, or similar state or federal statutes or regulations, including any **claim** based upon common law principles of liability.
- Q.** based on or arising out of any activity relating to:
1. Right-of-Way Appraisal; or
 2. Proposed Construction/Land Development appraisal or Vacant Land appraisal, unless the Proposed Construction/Land Development appraisal or Vacant Land appraisal is solely intended for private **residential property** use.

V. LIMITS OF LIABILITY AND DEDUCTIBLE

A. Limit of Liability - Each claim

Subject to paragraph B. below, the **Company's** limit of liability for **damages** for each **claim** will not exceed the amount stated in Item 4.A. in the Declarations for "Each **claim**."

B. Limit of Liability - Policy Aggregate

The **Company's** aggregate limit of liability for all **damages** for all **claims** will not exceed the aggregate amount stated in Item 4.A. in the Declarations as the "Policy Aggregate."

C. Fair Housing Discrimination Limit of Liability

The "**fair housing discrimination** limit of liability" is the **Company's** aggregate limit of liability for all **damages** and all **claim expenses** for all **claims** for **fair housing discrimination**, and the **fair housing discrimination** limit of liability is part of and not in addition to the "Policy Aggregate" limit of liability. The **Company's** aggregate limit of liability for **claims** for **fair housing discrimination** will not exceed the aggregate amount stated in Item 4.B. in the Declarations. **Claim expenses** are included within and will reduce the "**fair housing discrimination** limit of liability."

D. Deductible

The deductible amount shown in Item 5. in the Declarations is the **Insured's** obligation for each **claim** and applies to the payment of **damages** and **claim expenses**. The deductible will be paid by the **Named Insured**. The limits of liability set forth in the Declarations are in addition to and in excess of the deductible.

E. Fungi and Bacteria Sub Limit of Liability

The “**fungi and bacteria limit of liability**” is the **Company’s** aggregate limit of liability for all **damages** for all **claims** based upon or arising out of an **Insured’s** failure to disclose the existence or presence of **fungi** or bacteria, and the **fungi and bacteria limit of liability** is part of and not in addition to the **Company’s** Each **Claim** limit of liability and the Policy Aggregate limit of liability. The **Company’s** aggregate limit of liability for **Fungi and Bacteria claims** will not exceed the aggregate amount stated in Item 4.C in the Declarations. **Claims Expenses** are included within and will reduce the “**Fungi and Bacteria Limit of Liability**.”

F. Open House Sub Limit of Liability

The “**open house limit of liability**” is the **Company’s** aggregate limit of liability for all **damages** for all **claims** based upon or arising out of an **open house**, and the **open house limit of liability** is part of and not in addition to the **Company’s** Each **Claim** limit of liability and the Policy Aggregate limit of liability. The **Company’s** aggregate limit of liability for **Open House claims** will not exceed the aggregate amount stated in Item 4.D. in the Declarations. **Claims Expenses** are included within and will reduce the “**Open House Limit of Liability**.”

G. Multiple Insureds, Claims and Claimants

The limits of liability shown in the Declarations is the maximum amount the **Company** will pay under this policy for **damages** regardless of the number of **Insureds, claims** made or claimants. **Related claims** made against the **Insured** and reported in writing to the **Company** under this policy or under any renewal of this policy will be considered a single **claim** first made and reported to the **Company** during the **policy period** in which the earliest of the **related claims** was first made and reported in writing to the **Company**.

VI. CONDITIONS

A. Named Insured Sole Agent

The **Named Insured** will be the sole agent and will act on behalf of all **Insureds** for the purpose of giving or receiving any notices, any amendments to or cancellation of this policy, for the completing of any applications and the making of any statements, representations and warranties, for the payment of any premium and the receipt of any return premium that may become due under this policy, for the payment of the deductible and the exercising or declining to exercise any right under this policy including the purchase of an **extended reporting period**.

B. Insured's Duties In the Event of a Claim or Potential Claim

1. In the event of a **claim**, the **Insured** must notify the **Company** in writing as soon as possible during the **policy period**, or any applicable **extended reporting period**, or within sixty (60) days after the end of the **policy period**. Notice should be sent to the **Company** or to its authorized representative at the address stated in Item 8. in the Declarations.
2. If, during the **policy period**, the **Insured** becomes aware of any act or omission that may reasonably be expected to be the basis of a **claim** and if the **Insured**, during the **policy period**, provides the **Company** with written notice containing:
 - a. the specific act or omission;
 - b. the dates and persons involved;
 - c. the identity of anticipated or possible claimants;
 - d. the circumstances by which the **Insured** first became aware of the possible **claim**; and

- e. potential **damages** or injury,

then any **claim** that is subsequently made against the **Insured** arising out of such act or omission will be deemed to have been made on the date such written notice was received by the **Company**. Notice should be sent to the **Company** or to its authorized representative at the address stated in Item 8. in the Declarations. The **Company** will provide pre-claims assistance with a potential **claim** if the **Insured** complies with the notification provision stated herein.

C. Assistance and Cooperation

1. the **Insured** will cooperate with the **Company** and upon the **Company's** request, attend hearings, depositions and trials and assist in effecting settlements, securing and giving evidence, obtaining the attendance of witnesses and in the conduct of suits and proceedings in connection with a **claim**.
2. the **Insured** will assist in the enforcement of any right of contribution or indemnity against any person or organization who or which may be liable to any **Insured** in connection with a **claim**.
3. the **Insured** will not, except at the **Insured's** own cost, voluntarily make any payment, assume or admit any liability or incur any expense without the written consent of the **Company**.

D. Innocent Insureds

If coverage of this policy would not apply because of **EXCLUSION C.** or because of noncompliance with **CONDITION B.**, such Exclusion or Condition will not apply to any **Insured** who did not commit, participate in, or have knowledge of any of the acts described in Exclusion C. and whose conduct did not violate **CONDITION B.**

E. Action Against the Company

1. No action may be brought against the **Company** concerning this policy unless, as a condition precedent to such action, the **Insured** has fully complied with all the terms of this policy, and the amount of the **Insured's** obligation to pay has been decided.
2. Such amount can be decided either by final judgment against the **Insured** after actual trial, or by written agreement among the **Insured**, the **Company**, and the claimant. Such action must be brought against the **Company** in two (2) years, or during any applicable statute of limitations for bringing of such action, whichever is longer.
3. No person or entity has any right under this policy to include the **Company** in any action against the **Insured** to determine the **Insured's** liability, nor will the **Company** be brought into such action by the **Insured** or the **Insured's** representative.

F. Changes

Notice to any agent of the **Company's** or knowledge possessed by any other person will not effect a waiver or change in any part of this policy, and will not prevent or preclude the **Company** from asserting any right or provisions of this policy. None of the provisions of this policy will be waived, changed or modified except by written endorsement issued by the **Company** to form a part of this policy.

G. Assignment

The interest of the **Insured** under this policy may not be assigned without the **Company's** express written consent.

H. Bankruptcy or Insolvency

Bankruptcy or insolvency of the **Insured** or of the **Insured's** estate will not relieve the **Company** of any of its obligations under this policy.

I. Acquisitions and Mergers, and Other Material Changes

In the event of any merger, acquisition, or change in a franchise relationship, involving the **Named Insured**, or other material changes in the **Named Insured's** operations, there will be no coverage under this policy for any merger, acquisition, or material change until the change has been accepted in writing by the **Company** and the appropriate premium has been determined by the **Company**. Premium will be calculated in accordance with the **Company's** rules, rates, rating plans, premiums, and minimum premiums applicable to the insurance afforded herein.

J. Entire Contract and Application

By acceptance of this policy, the **Insured** warrants that the statements in the application are representations of the **Insured** and are deemed material to the underwriting and acceptance of coverage by the **Company**. This policy is issued in reliance on the accuracy of such representations. Any material misrepresentation or concealment by the **Insured** or the **Insured's** agent will render this policy null and void and will relieve the **Company** from all liability herein.

K. Other Insurance

Any coverage under this policy, including any coverage for **data breach response costs, identity theft expenses, or laptop recovery expenses**, is excess over any other valid and collectible insurance, self-insurance or indemnification agreement available to the **Insured**, including but not limited to any cyber or data breach insurance policy, whether such other insurance, self-insurance or indemnification agreement is stated to be primary, contributory, excess, contingent or otherwise.

L. Examination of Books and Records

The **Company** may examine and audit the **Insured's** books and records as they relate to this policy at any time during the **policy period** and up to three (3) years afterward.

M. Cancellation

This policy may be cancelled by the **Named Insured** by giving the **Company** prior written notice stating when such cancellation will be effective. If the **Named Insured** cancels, earned premium will be calculated on a short rate basis.

This policy may be cancelled by the **Company** by sending written notice to the **Named Insured** at the address last known to the **Company**. The **Company** will provide written notice at least sixty (60) days before cancellation is to be effective except for nonpayment of premium in which case the **Company** will provide ten (10) days' notice prior to cancellation. The premium will be computed on a pro rata basis.

Notice of cancellation will state the effective date and reason for cancellation. The **policy period** will end on that date. If notice is mailed, proof of mailing will be sufficient notice.

N. Subrogation

In the event of any payment under this policy, the **Company** will be subrogated in the amount of such payment to all of the **Insured's** rights of recovery against any person or organization. The **Insured** will execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The **Insured** will do nothing to prejudice such rights.

O. Liberalization

If during the **policy period**, the **Company** makes any modifications in the form of this policy that are intended to pertain to all **Insureds** that have such forms as part of their policy, and by which the insurance afforded could be expanded by endorsement or replacement of form without increase premium charge, then such expanded insurance applies to the **Insured** as of the date the revision is permitted for use by the relevant department of insurance.

VII. EXTENDED REPORTING PERIOD

A. Optional Extended Reporting Period

1. If this policy is terminated for any reason other than fraud, material misrepresentation or nonpayment of premium, the **Named Insured** may purchase an **extended reporting period**.
2. To exercise this right, the **Named Insured** must provide written notice to the **Company** within sixty (60) days of the termination requesting the purchase of an **extended reporting period** and pay the premium due to the **Company**. The premium for the **extended reporting period** will be developed in accordance with the rules, rates, and rating plans then in effect for the **Company**.
3. The **extended reporting period** will be for a period of one (1), two (2), or three (3) years or as otherwise required by the regulatory guidelines governing this type of insurance in the **Named Insured's** state.
4. The limit of liability applicable to the **extended reporting period** will be the limit of liability remaining under the terminated policy or as otherwise required by the regulatory guidelines governing this type of insurance in the **Named Insured's** state.
5. The **extended reporting period** will not apply to any pending **claim** or proceedings; any paid **claim**; any **real estate services** performed after the effective date of the **extended reporting period**; or **claims** that are covered under any other insurance available to the **Insured**, or that would be covered but for the exhaustion of the limits.

B. Retirement Extended Reporting Period

1. If, during the **policy period**, the **owner/broker** of the **Named Insured** stated in Item 1. of the Declarations permanently retires from the practice of **real estate services** for reasons not related to suspension or revocation of the **owner/broker's** professional license, or Death or Disability as described in Section **C.** below, and the **Named Insured** ceases operations the **Company** will provide a retirement **extended reporting period** as set forth below.
2. The retirement **extended reporting period** will start with the date of the **owner/broker's** retirement and ends when one of the following occurs:
 - a. The **owner/broker** resumes the practice of **real estate services**; the **owner/broker** may be eligible to purchase, at the **Company's** option, a policy from the **Company** to reinstate full prior acts coverage;

- b. Any insurance is issued which replaces, in whole or in part, the coverage afforded by the retirement **extended reporting period**;
 - c. The limits of liability have been exhausted; or
 - d. Three (3) years have elapsed from the date of the **owner/broker's** retirement.
- 3. The additional premium for this option shall be waived if the **owner/broker** has been continuously insured by the **Company** under a real estate errors and omissions professional liability insurance policy for at least four (4) consecutive years.
- 4. The **Company** will issue a retirement **extended reporting period** endorsement only if:
 - a. The **owner/broker** requests the endorsement no more than sixty (60) days after the date of the **owner/broker's** retirement, or sixty (60) days after the end of the **policy period**, whichever is earlier. Such request must include written notification of retirement;
 - b. The **owner/broker** has paid all premiums and deductibles due for this policy at the time the **owner/broker** requests a retirement **extended reporting period** endorsement; and
 - c. The **owner/broker** pays when due the additional premium for the endorsement.
- 5. The limit of liability applicable to the **extended reporting period** will be the limit of liability remaining under the terminated policy or as otherwise required by the regulatory guidelines governing this type of insurance in the **Named Insured's** state.
- 6. The **extended reporting period** will not apply to any pending **claim** or proceedings; any paid **claim**; any **real estate services** performed after the effective date of the **extended reporting period**; or **claims** that are covered under any other insurance available to the **Insured**, or that would be covered but for the exhaustion of the limits.

C. Death or Disability Extended Reporting Period

- 1. If, during the **policy period**, the **owner/broker** of the **Named Insured** stated in Item 1. of the

Declarations dies or become totally and permanently disabled and the **Named Insured** ceases operations, the **Company** will offer a Death or Disability **extended reporting period** at no charge. Totally and permanently disabled means that the **owner/broker** is completely incapable of rendering **real estate services**, and such disability:
 - a. Has existed for not less than ninety (90) consecutive days; and
 - b. Is expected to be continuous, total, and permanent.
- 2. The death or disability **extended reporting period** will start on the date the **owner/broker** dies or becomes totally and permanently disabled, and will end when one of the following occurs:
 - a. The executor or administrator of the **owner/broker's** estate has been discharged;
 - b. The total and permanent disability ends, whether or not the **owner/broker** resumes practice;

- c. Any insurance is issued which replaces, in whole or in part, the coverage afforded by the death or disability **extended reporting period** endorsement;
 - d. The limits of liability have been exhausted; or
 - e. Three (3) years have elapsed from the date of the **owner/broker's** death or total and permanent disability.
- 3. The **Company** will issue a death or disability **extended reporting period** endorsement only if the **owner/broker** or the **owner/broker's** representative request it no more than ninety (90) days after the date of the **owner/broker's** death or total permanent disability, or ninety (90) days after the end of the **policy period**, whichever is later. Such request must include:
 - a. A copy of the certified death certificate; or
 - b. Written proof, certified by the **owner/broker's** attending physician, of total permanent disability including the date it occurred.
- 4. The limit of liability applicable to the **extended reporting period** will be the limit of liability remaining under the terminated policy or as otherwise required by the regulatory guidelines governing this type of insurance in the **Named Insured's** state.
- 5. The **extended reporting period** will not apply to any pending **claim** or proceedings; any paid **claim**; any **real estate services** performed after the effective date of the **extended reporting period**; or **claims** that are covered under any other insurance available to the **Insured**, or that would be covered but for the exhaustion of the limits.

MAILING ADDRESS:

TEXAS REAL ESTATE COMMISSION
P.O. Box 12188
Austin, Texas 78711-2188
www.trec.texas.gov



STREET ADDRESS:

TEXAS REAL ESTATE COMMISSION
1700 N. Congress Ave., Suite 400
Austin, Texas 78701
Telephone: (512) 936-3000

CERTIFICATE OF INSURANCE FOR A BROKER BUSINESS ENTITY

(For Informational Purposes Only)

The business entity shall furnish the Texas Real Estate Commission a new Certificate of Insurance not later than 15 days after the expiration of this Certificate of Insurance. This Certificate of Insurance expires on the date that the below named policy expires. This certificate is issued as a matter of information only and confers no rights upon the certificate holder. This Certificate of Insurance neither affirmatively or negatively amends, extends, or alters the coverage afforded by the policy specified herein. The aggregate limit is as specified in the policy.

1. Broker's Name (Business Entity)

TX P Realty, LLC

5. TREC Broker License #

2. Mailing Address

3834 Deerfield Dr

Business Address (Fixed Office)

6. Insurance Company

Greenwich Insurance Company

7. Policy Number

PEG9163260-13

(Binders not accepted)

Mailing Address (if different)

San Antonio

City

TX

State

78218-2414

Zip Code

8. Name of Policy Holder (if group policy)

TX P Realty, LLC

3. Business Phone

2108448683

9. Term Dates

4. Email Address

dzip@satx.rr.com

05/27/2023

Effective

05/27/2024

Expired

TEXAS ADMITTED CARRIER NO.

37985

OR TEXAS SURPLUS LINE CO. NO.

10. Name of Insurance Agency

Pearl Insurance

12. Name of Agent

Julie West

11. Insurance Agency Address

1200 E Glen Avenue

Number and Street

13. Agent Phone

855-465-0200

Peoria Heights

City

IL

State

61616-5348

Zip Code

14. Policy Type:

OCCURRENCE ☐

CLAIMS MADE ☒

By my signature below, as an authorized insurance agent licensed to do business in the State of Texas, I hereby certify that the above policy meets the following minimum standards:

(1) provides for Errors & Omissions (E&O) insurance as required by §1101.355, Texas Occupations Code, and

(2) is in a coverage amount of not less than \$1 million per occurrence.

Gary P. Pearl

Signature of insurance agent licensed to do business in Texas

Gary P. Pearl

Printed Name

05/24/2023

Date

CERTIFICATE HOLDER

TEXAS REAL ESTATE COMMISSION
P.O. Box 12188
Austin, Texas 78711-2188
PHONE 512-936-3000

FAX 512-936-3864



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
05/24/2023

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

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

| PRODUCER Pearl Insurance 1200 East Glen Avenue Peoria Heights, IL 61616 | CONTACT NAME: Gary Pearl PHONE (A/C, No, Ext): 1-800-447-4982 FAX (A/C, No): 1-866-817-9009 E-MAIL ADDRESS: | | | | | | | | | | | | | | | | | | | | | |
|---|---|-------------------------------|--|--------|-------------|-----------------------------|-------|-------------|--|--|-------------|--|--|-------------|--|--|-------------|--|--|-------------|--|--|
| INSURED TX P Realty, LLC 3834 Deerfield Dr San Antonio, TX 78218-2414 | <table><tr><th colspan="2">INSURER(S) AFFORDING COVERAGE</th><th>NAIC #</th></tr><tr><td>INSURER A :</td><td>GREENWICH INSURANCE COMPANY</td><td>22322</td></tr><tr><td>INSURER B :</td><td></td><td></td></tr><tr><td>INSURER C :</td><td></td><td></td></tr><tr><td>INSURER D :</td><td></td><td></td></tr><tr><td>INSURER E :</td><td></td><td></td></tr><tr><td>INSURER F :</td><td></td><td></td></tr></table> | INSURER(S) AFFORDING COVERAGE | | NAIC # | INSURER A : | GREENWICH INSURANCE COMPANY | 22322 | INSURER B : | | | INSURER C : | | | INSURER D : | | | INSURER E : | | | INSURER F : | | |
| INSURER(S) AFFORDING COVERAGE | | NAIC # | | | | | | | | | | | | | | | | | | | | |
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| INSURER B : | | | | | | | | | | | | | | | | | | | | | | |
| INSURER C : | | | | | | | | | | | | | | | | | | | | | | |
| INSURER D : | | | | | | | | | | | | | | | | | | | | | | |
| INSURER E : | | | | | | | | | | | | | | | | | | | | | | |
| INSURER F : | | | | | | | | | | | | | | | | | | | | | | |

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

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

| INSR LTR | TYPE OF INSURANCE | ADDL INSD | SUBR WVD | POLICY NUMBER | POLICY EFF (MM/DD/YYYY) | POLICY EXP (MM/DD/YYYY) | LIMITS |
|----------|---|-----------|----------|---------------|-------------------------|-------------------------|--|
| | COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER: | | | | | | EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ \$ |
| | AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS | | | | | | COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$ |
| | UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input type="checkbox"/> RETENTION \$ | | | | | | EACH OCCURRENCE \$ AGGREGATE \$ \$ |
| | WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? <input type="checkbox"/> Y / <input checked="" type="checkbox"/> N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below | | N / A | | | | PER STATUTE <input type="checkbox"/> OTH-ER <input type="checkbox"/> E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$ |
| A | Real Estate E&O | | N | PEG9163260-13 | 05/27/2023 | 05/27/2024 | Limits: \$1,000,000/\$2,000,000 Deductible: \$5000 Cyber Suite Limits: \$100,000 |

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)**CERTIFICATE HOLDER****Proof of Insurance****CANCELLATION**

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE
Pearl Insurance

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YOUR RISK MANAGEMENT BENEFITS

Follow these steps to access your free legal counseling:

- Prior to calling the legal hotline, contact an AXA XL claim specialist at **877.791.3777** to assess the issue and determine whether it is necessary to seek the advice of the state attorney or report the incident as a claim.
- Visit **pearlinsurance.com/legalhotline** and select your state of business to get contact information for your legal hotline attorney.
- Before calling the assigned attorney, please have your policy number and effective date on hand to verify you are an AXA XL insured.
- Call the attorney for two hours of free legal advice.

If you remain under the time limit in your initial consultation, feel free to call again with legal questions—up to your 2-hour limit.

Keep in mind that the legal hotline should not be used to ask questions about claim reporting procedures or to inquire about a formal claim that has already been filed with Pearl Insurance/AXA XL. Those issues could be directed to your AXA XL claim specialist.

Risk Management Library

As a Pearl Insurance/AXA XL policyholder, you can access Pearl's entire library of risk management tools. This library includes an archive of monthly Risk Manager publications, quarterly newsletters, and recordings of all past risk management webinars.

To access this library, follow these steps:

1. Visit pearlinsurance.com.
2. Click on My Pearl.
3. Click on Risk Management Customer Access.
4. Select line of business and input your Pearl ID and zip code to access the risk management material.

Risk Management Newsletter

You will receive monthly and quarterly newsletters highlighting actual claims and useful risk reduction information.

**Your AXA XL policy must be in force to receive this benefit.*



As a Real Estate ProtectionPlus policyholder, you have access to **two hours of free legal counseling*** provided by an AXA XL approved attorney in your state.



For more information, contact a **Real Estate ProtectionPlus** representative.
855.465.0200 | pearlinsurance.com/EO

AXA XL is a division of AXA Group providing products and services through our four business groups: AXA XL Insurance, AXA XL Reinsurance, AXA XL Art & Lifestyle and AXA XL Risk Consulting. Coverage is underwritten by the following AXA XL companies: Greenwich Insurance Company and Indian Harbor Insurance Company. Not all insurers do business in all jurisdictions nor is coverage available in all jurisdictions. AXA, the AXA and XL logos are trademarks of AXA SA or its affiliates.



Errors & Omissions

Be prepared for data breach with eRiskHub[®] risk management tool

Take advantage of this important part of your AXA XL cyber coverage!

Data breach can take you by surprise

If your organization experiences a data breach would you be prepared? As we all know from the news even very large companies aren't always ready to respond. Yet when a breach event occurs, time is of the essence.

Most states now require the responsible business to promptly notify every individual affected by a data breach. Beyond those legal requirements and their costs, how you respond to a data breach can mean the difference between preserving your client's trust or losing it.

When suddenly confronted with a data breach many companies make mistakes that can significantly increase their cost of responding and put their reputation at risk.

Now you can develop an effective data breach response plan in advance of a crisis that can help you to be prepared and protect your client relationships and business reputation.

Immediate access to risk management tools

As part of our Data Compromise coverage we offer an online data breach portal that equips you with a risk management tool to help you plan and be prepared should a breach happen to your company. There's no cost; it's a complimentary service for our Data Compromise insureds.

It's called eRiskHub[®] and it's designed to help you to better understand your risks and establish a response plan so you can manage the costs and minimize the effects of a data breach should one occur.

Key features of the eRiskHub[®] portal

- **Incident Response Plan Roadmap**—includes suggested steps to take following a network or data breach incident.
- **Online Training Modules**—ready-to-use training for business owners on privacy best practices and Red Flag Rules.
- **Risk Management Tools**—assists you in managing your cyber risk including a self- assessment and state breach notification laws.
- **News Center**—cyber risk stories, security and compliance blogs, security news, risk management events and helpful industry links.
- **Learning Center**—best-practices articles, white papers and webinars from leading technical and legal practitioners.
- **eRisk Resources**—a directory to quickly find external resources with expertise in pre- and post-breach disciplines.

When suddenly confronted with a data breach many companies make mistakes that can significantly increase their cost of responding and put their reputation at risk.

Register now

To access the eRiskHub® portal you need to register and set up your unique User ID and Password. It's easy, just follow these steps:

1. Enter <https://eriskhub.com/axaxl> in your browser.
2. Complete the information in the center of the page, including your name and company. Please note that your user ID and password are case-sensitive.
3. Enter your assigned access code: 12116-105
4. Enter the challenge word on the screen, and click "Submit."
5. Access the "Terms of Use" on the next screen and click "Submit."
6. You will get a "Registration Complete" message on the next screen. You can now login to the portal.



Contact Pearl Insurance to learn more.



www.pearlinsurance.com

800 322 2488

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The information contained herein is intended for informational purposes only. Insurance coverage in any particular case will depend upon the type of policy in effect, the terms, conditions and exclusions in any such policy, and the facts of each unique situation. No representation is made that any specific insurance coverage would apply in the circumstances outlined herein. Please refer to the individual policy forms for specific coverage details. AXA XL is a division of AXA Group providing products and services through three business groups: AXA XL Insurance, AXA XL Reinsurance and AXA XL Risk Consulting. In the US, the AXA XL insurance companies are: AXA Insurance Company, Catlin Insurance Company, Inc., Greenwich Insurance Company, Indian Harbor Insurance Company, XL Insurance America, Inc., XL Specialty Insurance Company and T.H.E. Insurance Company. Not all of the insurers do business in all jurisdictions nor is coverage available in all jurisdictions. Information accurate as of November 2020.

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PROTECTION FOR BUSINESS OWNERS

Now that you've purchased E&O insurance, you may want to consider furthering your financial protection.

Managing a business can be overwhelming. From dealing with unhappy clients, to developing and maintaining a budget and business plan, living your dream takes a lot of time and effort.

Don't let insurance be one of the obstacles you can't overcome. It's crucial to your continued success, but it doesn't have to be complicated. As a business owner, you've had enough of that already. So, let Pearl Insurance simplify the process for you.

Based on your business needs, you should consider securing some or most of the products listed here. You've put so much into establishing your business. Now, make sure it's protected.*

General Liability Insurance

Working with clients on a daily basis is a major part of your job. With that comes exposure to risk. If someone trips while walking into your business's front door, they could sue you if they're injured. But general liability provides you with personal and advertising injury protection, as well as damage to premises protection when renting (which most lease agreements require).

Business Owners Policy (BOP)

Compared to a homeowner's policy for your business, BOP packages general liability with property coverage. This policy can provide business personal property (on and off the premises), business interruption and loss of income, and tenant improvements and betterments. If you lease an office or maintain your office from home and experience water damage from a burst pipe, this policy will help replace your records, equipment, clean up fees, and repair destroyed property, while providing lost income if you're unable to work.

Workers' Compensation Insurance

If you have employees, you should consider securing workers' compensation insurance. Should an employee get injured on the job, this coverage will pay for their lost income and/or medical expenses.

Employment Practice Liability Insurance (EPLI)

When you own a business and hire employees, there's always a chance of employee-related claims. EPLI covers claims against your business from employees, including wrongful termination, discrimination, sexual harassment, and retaliation in the workplace.

Cyber Liability Insurance

Today, the majority of confidential business information is maintained and stored online. From social security numbers to credit card numbers, cyber criminals are searching for a way to access this important information. That's where cyber liability insurance comes into play. It protects you from losses that may occur from engaging in electronic activities.

Crime Insurance

Theft and fraud occur more often than you may realize. But if a crime threatens your business, crime insurance provides several different types of coverage, including employee dishonesty coverage; forgery or alteration coverage; funds transfer fraud coverage; kidnap, ransom, or extortion coverage; and more.

*Please note: Insurance coverage is not guaranteed. Eligibility must be determined when purchasing insurance products.

PROTECTION FOR BUSINESS OWNERS

Commercial Auto and Hired/Non-owned Auto Insurance

If your employees use personal vehicles to perform work-related tasks, commercial auto and hired/non-owned auto insurance could protect your firm from property or liability damages (including car accident damage, medical expenses, or legal expenses).

Directors and Officers (D&O) Liability Insurance

As a director or officer of your company, and in the event of a claim against you for alleged wrongful acts/decisions you make, D&O coverage can reimburse you for claim expenses or losses, possibly including criminal and/or regulatory investigations. You may also consider a broader management liability policy, which covers liabilities of the corporation itself, as well as personal liabilities for the directors and officers of the corporation.

Umbrella Insurance

When your initial liability limits are exhausted by claim payments, umbrella insurance will protect you against catastrophic losses. It provides excess coverage and protection against some claims that are outside the scope of your liability policy.

Notary Bond Services

To be appointed as a Notary Public, some states require you to provide a notary bond. Pearl Insurance provides this service, as needed.

Please contact your Pearl representative to see what other types of coverage may be available in addition to those listed here.



Get a quote on any of these business insurance products by contacting a **Real Estate ProtectionPlus** representative.
855.465.0200 | pearlinsurance.com



THE BASICS OF CLAIMS-MADE POLICIES

Professional liability coverage through Pearl Insurance is a “claims-made policy.” The policy applies only to those claims that are first made against the insured during the policy period. The claim must be reported in writing to the company during the policy period or within 60 days after the end of the policy period, unless an Extended Reporting Period (ERP) applies.

What is a Retroactive Date?

A retroactive date, also called a prior acts date, is a date agreed upon by the insurance provider and the policyholder, usually the inception or start date of the first claims-made policy. Insurers adhere to the policy of retroactive dates because it is necessary to place a limit on the activities a claims-made policy covers.

A claims-made policy will offer coverage for acts that occur after this date—as long as you have maintained continuous coverage under a claims-made policy since this date. Any claims arising from alleged errors, omissions, or other activities occurring before the retroactive date would not be covered, even if they are made during the policy’s in force period.

How is My Claims-Made Policy Premium Calculated?

To compute the premium for a claims-made policy, an insured is given an initial base rate resulting from the firm’s gross commission income, the number of active agents in the firm, and the limits of liability and deductible chosen by the firm. The rate is then modified based on a number of risk factors:

- Years the company has been in business
- Risk management practices
- Type of work the firm is involved in
- Claims experience
- Retroactive date

Many insurance carriers require their insured to complete an application every year because the above factors tend to change over time. Giving your insurance provider updated information for your policy helps ensure you have the coverage that’s right for you at the best rate possible.

What Can I Do to Help Ensure Coverage?

To help ensure your professional liability policy covers activities that may be involved in a claim, it’s best to maintain continuous coverage. If a claim arises, only an in force policy or Extended Reporting Period can provide coverage—even if you had a policy in force at the time you performed the services giving rise to the claim.

Gaps in coverage can arise if the policy isn’t renewed with your current carrier or a new carrier by the expiration date, or for cancellation for non-payment. If the policy will not be renewed, you may want to consider purchasing an Extended Reporting Period (ERP) endorsement for coverage to apply for past transactions only.

Remember, there are exclusions to any insurance policy, so it is imperative that you understand those exclusions. If you are questioning whether your firm may have coverage for an activity, please feel free to contact your Pearl Insurance account representative for assistance.



If you have questions regarding your current coverage, please contact a **Real Estate ProtectionPlus** representative.
855.465.0200 | pearlinsurance.com/EO

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WORKING HARD. WORKING SMART. TOGETHER.

Interested in Success?

You count on us to protect your business, and here at Pearl we've been doing that for over 65 years. But, we'd also like to see your business grow and continue to succeed. With your expertise and the right tools in place, together we can make it happen.

How About Saving Money?

As a valued client, you have access to **Pearl's national buying program** to help bolster your bottom line. This group purchasing program offers deep discounts on office supplies, printing, computer hardware, and a wide variety of business supplies and services.

With top vendors like Staples, Best Buy, FedEx, and more coming on board all the time, you can secure **average savings of 10-20%** almost immediately.

Whether you purchase online or in-store, discounts will apply on a wide variety of items and services. If you already frequent a specific vendor who is part of the Pearl buying program, you can add our group purchasing discount to your account at any time.

It's **FREE** and sign-up is often as easy as entering your name, company, and contact information.



Want to Learn More?

Visit pearlinsurance.com/SaveNow to learn more or to sign up now. Get started today!