

ENDORSEMENT

This endorsement, effective 12:01AM: **Date**
Forms a part of Policy No.: **Policy Number**
Issued to: **Issued To**
By: **Writing Company**

CYBER EXTENSION (WITH NETWORK EXTORTION AND BUSINESS INTERRUPTION)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

LIFE AGENT BROKER-DEALER PROFESSIONAL LIABILITY POLICY

In consideration of the premium for this policy, it is hereby understood and agreed that the policy is amended as follows:

1. The **NOTICE** set forth in the Declarations is deleted in its entirety and replaced with the following:

NOTICE: THE COVERAGE PROVIDED UNDER THIS POLICY IS LIMITED TO ONLY THOSE CLAIMS FIRST MADE AND BREACHES FIRST DISCOVERED DURING THE POLICY PERIOD OR ANY APPLICABLE EXTENDED REPORTING PERIOD. THE LIMITS OF LIABILITY TO PAY LOSS, REGULATORY DAMAGES, BREACH EXPENSES, EXTORTION EXPENSES, BUSINESS INTERRUPTION LOSS AND JUDGMENTS OR SETTLEMENTS WILL BE REDUCED AND MAY BE EXHAUSTED BY DEFENSE COSTS, AND DEFENSE COSTS WILL BE APPLIED AGAINST THE RETENTION. THE INSURER WILL NOT BE LIABLE FOR DEFENSE COSTS, LOSS, REGULATORY DAMAGES, BREACH EXPENSES, EXTORTION EXPENSES OR BUSINESS INTERRUPTION LOSS IN EXCESS OF THE APPLICABLE LIMIT OF LIABILITY. PLEASE REVIEW THE POLICY CAREFULLY.

2. **SECTION I. INSURING AGREEMENTS** is amended by appending the following to the end thereof:

CYB-A. Network Security and Privacy Liability Coverage

1. **Network Security and Privacy Liability**

The **Insurer** shall pay **Loss** on behalf of the **Insured** as a result of a **Claim** first made against such **Insured** during the **Policy Period** alleging a **Breach** taking place on or after the applicable **Prior Acts Date** and prior to the end of the **Policy Period**, and reported to the **Insurer** as required by this policy.

2. **Privacy Regulatory Defense, Fines and Penalties**

The **Insurer** shall pay **Defense Costs** and **Regulatory Damages** on behalf of the **Insured** as a result of a **Claim** first made against such **Insured** during the **Policy Period** alleging a **Breach** taking place on or after the applicable **Prior Acts Date** and prior to the end of the **Policy Period**, and reported to the **Insurer** as required by this policy.

CYB-B. Breach Expenses Coverage

The **Insurer** shall pay **Breach Expenses** incurred by a **Breach Vendor** on behalf of an **Insured** resulting from a **Breach** first discovered by the **Insured** during the **Policy Period** and reported to the **Insurer** as required by this policy.

CYB-C. Network Extortion Coverage

The **Insurer** shall pay **Extortion Expenses** incurred by the **Insured** with the **Insurer's** prior written consent, resulting from an **Extortion Threat** first made against the **Insured** during the **Policy Period** and reported to the **Insurer** as required by this policy.

CYB-D. Business Interruption Coverage

The **Insurer** shall pay **Business Interruption Loss** incurred by the **Insured** during the **Period of Recovery** after the application of the **Waiting Hours Period** resulting from a **Business Interruption** first occurring during the **Policy Period**. No Retention shall apply to **Business Interruption Loss**.

3. In **SECTION I. INSURING AGREEMENTS, Insuring Agreement B. Sponsor Broker-Dealer** is amended by appending the following to the end thereof:

This **Insuring Agreement B.** shall not apply to: (i) any **Claim** that contains any allegation of a **Breach** involving the **Sponsor Broker-Dealer**; or (ii) any **Extortion Threat** or **Breach** discovered by or involving the **Sponsor Broker-Dealer**.

4. In **SECTION I. INSURING AGREEMENTS, Insuring Agreement C. Sponsor Company Vicarious Liability** is amended by deleting the last paragraph thereof in its entirety and replacing it with the following:

This **Insuring Agreement C.** shall not apply to: (i) any **Claim** that contains any allegation of a **Wrongful Act** or other wrongdoing of the **Sponsor Company**, including but not limited to bad faith, or the negligent hiring, training, management or supervision of such **Agent** who committed, or was alleged to have committed a **Wrongful Act**; (ii) any **Claim** that contains any allegation of a **Breach**; or (iii) any **Extortion Threat** or **Breach** discovered by or involving the **Sponsor Company**.

5. **SECTION II. CONDITIONS** is amended by appending the following to the end thereof:

Coverage provided under this policy shall apply only if notice of any **Breach, Extortion Threat** or **Related Wrongful Act** has not been provided under any policy of which this policy is a renewal, replacement or succeeds in time. This policy shall not apply to: (i) any **Claim** that contains any allegation of a **Breach** involving the **Sponsor Broker-Dealer**; or (ii) any **Extortion Threat** or **Breach** discovered by or involving the **Sponsor Broker-Dealer**.

6. **SECTION III. DEFINITIONS** is amended by appending the following to the end thereof:

CYB-1. "Breach" means the failure of the **Insured** or others on behalf of the **Insured** to prevent or protect against the following:

- a. the disclosure of **Confidential Information** by an **Insured** or a third party for whom the **Insured** is legally responsible;
- b. unauthorized access to the **Computer Network**;
- c. unauthorized use of the **Computer Network**;
- d. participation of the **Computer Network** in a denial of service (DoS) attack directed against a third party;
- e. transmission of malicious code from the **Computer Network** causing harm to a third party;
- f. denial of access to a **Computer Network**;
- g. physical theft of hardware on which data is stored; or
- h. the failure to disclose the aforementioned in violation of **Privacy Breach Notice Law**.

"**Breach**" shall not mean, and this policy shall not cover, any such failure of the **Sponsor Broker-Dealer** to prevent or protect against a. through h. as described above.

- CYB-2. “Breach Expenses”** means reasonable and necessary fees, costs and expenses incurred by a **Breach Vendor** on behalf of the **Insured** in response to a **Breach**, solely within the 12 months immediately following the discovery of the **Breach** by the **Insured**, including but not limited to the following:
- a. third-party forensics services engaged solely to determine the scope and cause of **Breach**;
 - b. notification expenses whether or not required by the applicable **Privacy Breach Notice Laws**;
 - c. legal expenses incurred to ensure compliance with **Privacy Breach Notice Laws**;
 - d. mitigating measures, including credit monitoring, identity restoration, identity theft education and call center services;
 - e. engagement of a public relations firm or crisis management firm, solely related to communications designed for the purpose of restoring or protecting the **Insured’s** reputation due to injury caused by the **Breach**; and
 - f. costs incurred to restore, recollect or recreate **Electronic Data**, including the costs incurred in determining whether it is possible to do so.

Breach Expenses shall not include:

- i. any salaries, wages, overhead, benefits, benefit expenses or internal charges associated with any **Insured**; or
- ii. any fees, costs and expenses related to the remediation of any deficiencies that gave rise to the **Breach**.

- CYB-3. “Breach Response Vendor”** means any of the following listed vendors that have been pre-approved by the **Insurer** to provide the services and/or assistance described in the Definition of **Breach Expenses** at agreed upon rates:

<<List – TBD>>

- CYB-4. “Business Interruption”** means the actual and measurable total or partial interruption, suspension or deterioration of an **Insured’s** business directly caused by a **Breach**.

- CYB-5. “Business Interruption Loss”** means <<\$XXXX>> per business day incurred solely within the **Period of Recovery**.

- CYB-6. “Computer Network”** means a connected network of computer hardware, software, and any associated components leased, owned, operated or controlled by any **Agent, Registered Representative** or **Registered Investment Adviser**. **Computer Network** shall not include any network of computer hardware, software, and any associated components leased, owned, operated or controlled by the **Sponsor Broker-Dealer**.

- CYB-7. “Confidential Information”** means **Personal Information** and any non-public third-party information, including but not limited to, financial data, business plans, customer information, employee information, market information, and other information not available to the general public which is:
- a. in the care, custody and control of any **Agent, Registered Representative** or **Registered Investment Adviser**; and
 - b. for which the **Agent, Registered Representative** or **Registered Investment Adviser** is legally responsible; or
 - c. in the care, custody and control of a third-party which is legally responsible pursuant to contract with the **Agent, Registered Representative** or **Registered Investment Adviser** and to whom such **Insured** has provided such information.

- CYB-8. “**Cyber Aggregate**” means \$<#####>.
- CYB-9. “**Cyber Terrorism**” means actual or threatened attacks against a **Computer Network** with the intention to cause harm in order to further political, religious or ideological objectives. **Cyber Terrorism** shall not include activities that are in support of any war or military action.
- CYB-10. “**Electronic Content**” means digital media including advertising and promotional material that is published, disseminated, released, gathered, distributed or transmitted in electronic or digital format on behalf of the **Agent, Registered Representative or Registered Investment Adviser** or by such **Insured** for themselves or for others.
Electronic Content shall not include:
- a. computer software except to the extent that it displays digital content; or
 - b. any actual products or services described, illustrated or displayed in such **Electronic Content**.
- CYB-11. “**Electronic Data**” means any data stored electronically on a **Computer Network**, including **Confidential Information**.
- CYB-12. “**Executive Management**” means the **Agent, Registered Representative or Registered Investment Adviser** specifically named on the **Certificate**, and the direct reports of each such aforementioned individual.
- CYB-13. “**Extortion Expenses**” means reasonable and necessary expenses incurred by the **Insured** that result directly from an **Extortion Threat**, including, but not limited to, monies to be paid in response to the threat for the purpose of terminating the threat and the costs to conduct an investigation to determine the origin of the **Extortion Threat**.
- CYB-14. “**Extortion Threat**” means any credible threat or series of related threats directed at the **Insured** to harm the **Computer Network**, use or disclose **Confidential Information** or disrupt the **Insured’s** business in conjunction with a demand for money or other valuable consideration to avert, eliminate or mitigate the threat. An **Extortion Threat** shall be deemed made when **Executive Management** is made aware of any such credible threat.
- CYB-15. “**Period of Recovery**” means the period from the date and time that the **Business Interruption** first occurred to the date and time such **Computer Network** was restored to substantially the level of operation that had existed prior to such **Business Interruption**; provided, however, that in no event shall such period exceed <<##>> days.
- CYB-16. “**Personal Information**” means the following information which is in the **Insured’s** care, custody and control; for which the **Agent, Registered Representative or Registered Investment Adviser** is legally responsible; or which is in the care, custody and control of a third party legally responsible pursuant to contract with such **Insured** and to whom such **Insured** has provided such information:
- a. any individual’s name, social security number, medical or healthcare data, or other protected health information, driver’s license number, state identification number, credit card number, debit card number, address, telephone number, account number, account history or historical information, password, access codes or personal identification numbers (PIN’s) or other non-public information;
 - b. any information about an individual that is considered “nonpublic personal information” within the meaning of Title V of the Gramm-Leach Bliley Act of 1999 (“G-L-B”), also known as the Financial Services Modernization Act of 1999 and its implementing regulations, or protected personal information under any similar federal, state, local or foreign law;
 - c. any information about an individual that is considered “protected health information” or “electronic protected health information” within the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”) or the Health Information Technology for Economic and Clinical Health Act (“HITECH”), and their implementing regulations, or protected health-related information under any similar federal, state, local or foreign law;

- d. any information about an individual that is considered “personally identifiable information” within the Family Educational Rights and Privacy Act (“FERPA”); and
- e. as defined and amended in **Privacy Regulations**.

Personal Information shall not include information that is lawfully available to the general public.

CYB-17. “Privacy Breach Notice Law” means any federal, state, local or foreign statute or regulation requiring notice to persons whose **Personal Information** was accessed or reasonably believed to have been accessed by an unauthorized person.

CYB-18. “Privacy Regulations” means any federal, state, local or foreign statute or regulation requiring the protection of **Personal Information** and that imposes a civil monetary fine or penalty for the unauthorized disclosure of **Personal Information**, including but not limited to the following:

- a. Health Insurance Portability and Accountability Act of 1996 (Public Law 104-191) (“HIPAA”) and Health Information Technology for Economic and Clinical Health Act (“HITECH”);
- b. Gramm-Leach-Bliley Act of 1999 (“G-L-B”), also known as the Financial Services Modernization Act of 1999;
- c. The California Security Breach Notification Act (CA SB 1386) and Massachusetts 201 CMR 17;
- d. Identity Theft Red Flags under the Fair and Accurate Credit Transactions Act of 2003;
- e. Section 5(a) of the Federal Trade Commission Act, 15 U.S.C. Section 45(a), but solely for alleged violations of unfair or deceptive acts or practices in or affecting commerce; and
- f. other similar federal, state, local or foreign privacy protection legislation.

CYB-19. “Regulatory Damages” means:

- a. any civil monetary fine or penalty imposed by federal, state, local or foreign government pursuant to a **Regulatory Proceeding**; or
- b. any amounts the **Insured** is required by law or has agreed by settlement to deposit into a consumer redress fund.

CYB-20. “Regulatory Proceeding” means a request for information, demand, suit, civil investigation or civil proceeding brought by or on behalf of a governmental or regulatory authority that alleges violation of a **Privacy Regulation** as a result of a **Breach**.

CYB-21. “Rogue Employee” means an employee of the **Agent, Registered Representative or Registered Investment Adviser** specifically named on the **Certificate**, who intentionally acts outside of the scope of employment and whose intentional conduct results in a **Breach**. **Rogue Employee** shall not include the **Insured** named on the **Certificate**, its management personnel, the **Sponsor Broker-Dealer**, or any director, officer or employee of such **Sponsor Broker-Dealer**.

CYB-22. “Waiting Hours Period” means the <<##>> hours that must elapse from the date and time the **Business Interruption** first occurred in order for coverage to apply for **Business Interruption Loss**.

7. **SECTION II. DEFINITIONS** is further amended by deleting paragraph 30. “**Related Wrongful Acts**” and replacing it with the following:

30. “**Related Wrongful Acts**” means all **Wrongful Acts, Breaches** and **Extortion Threats** that are logically or causally connected by any fact, circumstance, situation, event, transaction, cause or series of related facts, circumstances, situations, events, transactions or causes.

8. Solely for purposes of the coverage provided in this endorsement, **SECTION II. DEFINITIONS** is amended by deleting paragraphs 7. “**Claim**”, 15. “**Insured**” and 20. “**Loss**” in their entirety and replacing them with the following:

7. **“Claim”** means:
- a. a written demand against an **Insured** for monetary or non-monetary (including injunctive) relief, including a request to toll any statute of limitations, or to engage in arbitration or mediation, which shall be deemed first made upon receipt by the **Insured** of such demand;
 - b. a civil proceeding against an **Insured** for monetary or non-monetary (including injunctive) relief which shall be deemed first made upon the service of a complaint or similar pleading upon the **Insured**; or
 - c. solely with respect to **Insuring Agreement CYB-A.2**, a **Regulatory Proceeding**, which shall be deemed first made upon receipt by the **Insured** of written notice of such **Regulatory Proceeding**.

15. **“Insured”** means any:
- a. **Agent**;
 - b. **Registered Representative** or **Registered Investment Adviser**;
 - c. the **Sponsor Broker-Dealer**, but solely as respects its vicarious liability for any **Agent**, **Registered Representative** or **Registered Investment Adviser**, and not for any **Claim** that contains any allegation of a **Breach** involving the **Sponsor Broker-Dealer**; or (ii) any **Extortion Threat** or **Breach** discovered by or involving the **Sponsor Broker-Dealer**.

20. **“Loss”** means those amounts any **Insured** is legally obligated to pay as a result of a **Claim**, including but not limited to:
- a. compensatory, punitive, exemplary and multiple damages;
 - b. settlements and judgments, including costs and fees awarded pursuant to a covered judgment and pre-judgment and post-judgment interest on that portion of a covered judgment; or
 - c. **Defense Costs**.

Loss (other than **Defense Costs**) shall not include any of the following:

- i. fines or penalties;
- ii. taxes;
- iii. costs incurred by an **Insured** to comply with any order for non-monetary relief (including injunctive relief) or with any agreement to provide such relief;
- iv. any amount which constitutes disgorgement, restitution, the return of fees, accounting of profits, commissions, charges or other compensation paid to an **Insured**;
- v. liquidated damages in excess of the **Insured’s** liability; or
- vi. any amount not insurable under the law pursuant to which this policy shall be construed.

9. The first sentence of **SECTION IV. EXCLUSIONS** is deleted in its entirety and replaced with the following:

This policy shall not apply to any **Claim**, **Breach** or **Extortion Threat**:

10. Solely for purposes of the coverage provided in this endorsement, **SECTION IV. EXCLUSIONS** is further amended as follows:

- I. Paragraphs **E. Bodily Injury/Property Damage**, **G. Antitrust/Unfair Competition**, **M. Contractual Liability** and **S. Mechanical Failure/ War/Pollutants** are deleted in their entirety and replaced with the following:

E. Bodily Injury/Property Damage

based upon or arising out of:

- i. physical injury, sickness, disease, death, and, if arising out of any of the foregoing, mental illness, mental anguish, emotional distress, or shock; or
- ii. damage to, loss of use of or destruction of any tangible property; provided, however:
 - a. tangible property as used in ii. above shall not include **Electronic Data**; and

b. this exclusion shall not apply to any **Claim** for mental anguish or emotional distress.

G. Antitrust/Unfair Competition

based upon or arising out of any actual or alleged:

- i. antitrust violation, restraint of trade, or violation of the Sherman Anti-Trust Act, the Clayton Act, or Robinson-Patman Act, as amended or rules or regulations promulgated under or in connection with the foregoing acts or any similar federal, state, local or foreign laws or statutes;
- ii. unfair competition, false, deceptive or unfair trade practices, or violation of any consumer protection laws; provided, however, this subparagraph ii. shall not apply to **Insuring Agreement CYB-A.**; or
- iii. violation of the Organized Crime Control Act of 1970 (Racketeer Influenced and Corrupt Organizations Act, or "RICO").

M. Contractual Liability

based upon or arising out of any:

- i. liability that an **Insured** has assumed under any contract; or
- ii. breach of any express or implied warranty or guarantee.

S. Power Failure / Act of God / War / Pollutants

based upon, arising out of or relating to any:

- i. electrical or mechanical failure of infrastructure not under the control of the **Insured**, including but not limited to, any electrical power interruption, surge, brownout or blackout;
- ii. failure of any satellite, telephone or data transmission or other telecommunication or network infrastructure not under the control of the **Insured**;
- iii. fire, smoke, explosion, lightening, wind, water, earthquake, volcanic eruption, tidal wave, landslide, act of God or any other physical event, however caused;
- iv. strike or similar labor action, war, invasion, act of foreign enemy or warlike operation (whether declared or not), civil war, or mutiny; provided, however, this subparagraph shall not apply to **Breaches or Extortion Threats** occurring as a result of **Cyber Terrorism**; or
- v. actual or alleged or threatened discharge, release, escape, seepage, migration or dispersal of any **Pollutants**, or any request, demand, order, direction, or statutory or regulatory requirement that any **Insured** or others test for, monitor, remove, contain, treat, detoxify, neutralize, clean up, or in any way respond to or assess the effects of such **Pollutants**.

II. Paragraph **A. Conduct** shall not apply to any **Breach** or **Extortion Threat** by a **Rogue Employee**.

III. Paragraph **H. Confidential/ Personally Identifiable Information** is deleted in its entirety.

IV. Paragraph **K. Professional Services for Specified Persons/Entities** is deleted in its entirety.

V. In paragraph **Q. Employee Benefit Plans/Fiduciary Services**, the exclusion in subparagraph **i.** thereof shall not apply to an otherwise covered **Breach**.

VI. The following are appended to the end of **SECTION IV. EXCLUSIONS**:

CYB-1. Advertising

based upon or arising out of any:

- i. false advertising or misrepresentation in any **Electronic Content**, including but not limited to, inaccurate, misleading or inadequate description of the price of products or services or any failure of products or services to conform with quality or performance as represented in **Electronic Content**; or
- ii. infringement of trademark or trade dress by any products or services displayed or contained in any **Electronic Content**.

CYB-2. Governmental

- i. brought by or on behalf of any federal, state, local or foreign government or governmental agency; provided, however, that this exclusion shall not apply to any:
 - a. **Breach** expressly covered under **Insuring Agreement CYB-A.2**; or
 - b. any **Claim** brought by such entity when acting in the capacity as a customer; or
- ii. based upon or arising out of or relating to a violation of the False Claims Act (31 U.S.C. §§ 3729-3733), or any similar provision of any federal, state, local or foreign law;

CYB-3. Intellectual Property

- based upon or arising out of any invalidity, infringement, violation or misappropriation of any:
- i. patent or trade secret by or on behalf of the **Insured**; or
 - ii. copyright, service mark, trade name or trademark.

CYB-4. Licensing / Rights Dispute

- based upon or arising out of any:
- i. action brought by or on behalf of intellectual property licensing or rights organizations, including but not limited to the American Society of Composers, Authors and Publishers (“ASCAP”), the Society of European Stage Authors and Composers (“SESAC”), or Broadcast Music, Inc. (“BMI”); or
 - ii. disputes brought by a third party relating to the ownership or exercise of rights in material or content, or the obligation to pay royalties or licensing fees arising from the use of material or content.

CYB-5. Unsolicited Communication

based upon or arising out of any unsolicited electronic communication by or on behalf of the **Insured**, including but not limited to, any action brought under the Telephone Consumer Protection Act, or any similar federal, state, local or foreign anti-spam statutes, provided, however, that this exclusion shall not apply to any **Claim** covered under **Insuring Agreement CYB-A.1**.

CYB-6. Fund Transfer

- based upon or arising out of any:
- i. electronic fund transfer or transaction by an **Insured**;
 - ii. theft of money or securities from an **Insured** or the transfer or loss of money or securities from or to an **Insured’s** account or any account under the **Insured’s** control, including but not limited to, any customer account; or
 - iii. financial trading loss or change in account value.

11. **SECTION VII. RELATED CLAIMS** is deleted in its entirety and replaced with the following:

SECTION VII. RELATED CLAIMS

All **Claims**, **Breaches** and/or **Extortion Threats** involving the same **Wrongful Act**, **Breach** or **Extortion Threat**, or **Related Wrongful Acts**, against one or more **Insureds**, shall be considered a single **Claim**, **Breach** and/or **Extortion Threat**. Only one Retention shall be applicable to such single **Claim**, **Breach** or **Extortion Threat**. In the event such single **Claim**, **Breach** or **Extortion Threat** triggers more than one Retention, the highest Retention shall apply.

All such **Claims**, **Breaches** and **Extortion Threats** constituting a single **Claim**, **Breach** or **Extortion Threat**, shall be deemed to have been first made on the earlier of the following dates: **(A)** the earliest date on which any such **Claim** was first made, or the **Breach** was first discovered, or **Extortion Threat** first made; or **(B)** the earliest date on which any such **Wrongful Act**, **Breach** or **Extortion Threat**, or **Related Wrongful Acts**, was reported under this policy or any other policy providing similar coverage, regardless

of whether such date is before or during the **Policy Period**. In no event shall a single lawsuit or proceeding constitute more than one **Claim** subject to more than one Retention.

12. **SECTION VIII. DEFENSE AND SETTLEMENT IS DELETED IN ITS ENTIRETY AND REPLACED WITH THE FOLLOWING:**

SECTION VIII. DEFENSE AND SETTLEMENT

A. Defense

- i. The **Insurer** shall have the right and duty to defend a **Claim** alleging a **Wrongful Act** or a **Breach**, even if the **Claim** is groundless, false or fraudulent.
- ii. The **Insurer** shall have the right to select and instruct defense counsel.
- iii. The **Insurer's** right and duty to defend and pay on the **Insured's** behalf ends when the applicable Limit of Liability or the Policy Aggregate stated in the Declarations has been exhausted, whichever occurs first.
- iv. The **Insured** shall not incur any **Defense Costs** without the prior written consent of the **Insurer**.

B. Settlement

The **Insured** shall not admit liability, offer to settle, or agree to any settlement in connection with any **Claim** without the express prior written consent of the **Insurer**, which consent shall not be unreasonably withheld or delayed. The **Insurer** shall not be liable under this policy for **Loss** or **Regulatory Damages** incurred as a result of any such admission, offer or agreement to which the **Insurer** did not so consent. Notwithstanding the preceding paragraph, the **Insureds** may settle all **Claims** subject to a single Retention without the **Insurer's** prior written consent if the settlement amount plus **Defense Costs** for all such **Claims** do not exceed the applicable Retention.

If any **Insured** refuses to consent to a settlement recommended by the **Insurer** within the applicable Limit of Liability, the **Insurer's** liability under this policy will be reduced to the amount for which the **Claim** could have been settled, plus all **Defense Costs** incurred up to the time the **Insurer** made its recommendation, the total of which is not to exceed the applicable Limit of Liability.

13. **SECTION X. NOTICE** is amended by deleting paragraph **A.** thereof in its entirety and replacing it with the following:

A. Notice of Claim/Breach/Extortion Threat

The **Insureds** shall, as a condition precedent to their rights under this policy, give the **Insurer** written notice of any:

1. **Claim** made during the **Policy Period** as soon as practicable after the **Insured** first learns of such **Claim**, but no later than the end of the **Policy Period**; and
2. **Breach** or **Extortion Threat** as soon as practicable after the **Insured** discovers such **Breach** or is made aware of such **Extortion Threat**, but no later than **<##>** days after the end of the **Policy Period**.

14. **SECTION XIII. EXTENDED REPORTING PERIODS** is amended by deleting paragraph **B.** thereof in its entirety and replacing it with the following:

B. Extended Reporting Periods for Agents, Registered Representatives and Registered Investment Advisers

- i. In the event: **(a)** this policy is not renewed or is cancelled by the **Policyholder**; **(b)** an **Agent** is terminated by a **Sponsor Company** (other than for disciplinary reasons) or retires or becomes disabled or deceased; or **(c)** a **Registered Representative** or **Registered Investment Adviser** is terminated by a **Sponsor Broker-Dealer** (other than for disciplinary reasons) or retires or becomes disabled or deceased; then each **Agent, Registered Representative** or **Registered Investment Adviser** shall have the right following the effective date of such cancellation or non-renewal, or termination, retirement, disability or death, to a period of one year ("Extended Reporting Period") in which to give written notice to the **Insurer** of **Claims** first made against such **Insured** during the Extended Reporting Period for any **Wrongful Act**

occurring, or **Breach** discovered by the **Insured**, prior to such effective date and otherwise covered under this policy.

- ii. In the event any **Agent, Registered Representative** or **Registered Investment Adviser** is terminated by a **Sponsor Company** or a **Sponsor Broker-Dealer** during the **Policy Period** for disciplinary reasons, such **Agent, Registered Representative** or **Registered Investment Adviser** shall have a period of 90 days following the effective date of such termination (“Extended Reporting Period”) in which to give written notice to the **Insurer** of **Claims** first made against such **Insured** during the Extended Reporting Period for any **Wrongful Act** occurring, or **Breach** discovered by the **Insured**, prior to such effective date and otherwise covered under this policy.
- iii. The Extended Reporting Period described above shall expire at such time that subsequent professional liability insurance is purchased by others for the **Insured’s** benefit, or the **Insured** independently enrolls for or purchases professional liability insurance, and, in each case, regardless of whether coverage is available for such **Claim** or **Breaches** under said other insurance.

15. **SECTION XVII. SPOUSES, DOMESTIC PARTNERS, ESTATES AND LEGAL REPRESENTATIVES** is deleted in its entirety and replaced with the following:

SECTION XVII SPOUSES, DOMESTIC PARTNERS, ESTATES AND LEGAL REPRESENTATIVES

- A. The coverage provided by this policy shall also apply to an **Insured’s** lawful spouse or domestic partner under applicable law or the provisions of any formal program established by the **Sponsor Company** or **Sponsor Broker-Dealer**, but only for a **Claim** arising out of any actual or alleged **Wrongful Acts** or **Breach** of such **Insured**.
- B. The coverage provided by this policy also shall apply to the estates, heirs, legal representatives or assigns of any natural person **Insured** in the event of their death, incapacity or bankruptcy, but only for **Claims** arising out of any actual or alleged **Wrongful Acts** or **Breach** of such **Insured**.

16. **SECTION XX. TERRITORY** is deleted in its entirety and replaced with the following:

Where permissible by law, coverage shall apply to **Claims** made, **Wrongful Acts** committed, and **Breach** and **Extortion Threats** occurring, anywhere in the world. Coverage shall not apply to any **Insured** that maintains a primary place of business, or has a **Certificate** provided or maintained by the **Policyholder, Insureds’ Representative** or the broker identified in **Item 12.** of the Declarations bearing an address outside of the United States of America.

17. **SECTION XXII. CURRENCY** is deleted in its entirety and replaced with the following:

SECTION XXII CURRENCY

All premiums, limits, retentions, **Loss, Defense Costs, Regulatory Damages, Breach Expenses** and **Extortion Expenses** and other amounts under this policy are and shall be expressed and payable in the currency of the United States. If any covered **Loss, Defense Costs, Regulatory Damages, Breach Expenses** and **Extortion Expenses**, including judgments or settlements, is expressed in, calculated on or otherwise based upon any other currency, payment of such amount, whether in such other currency or U.S. dollars, shall be made at the rate of exchange published in *The Wall Street Journal* on the date the **Insurer’s** obligation to pay such **Loss** is established (or, if not published on that date, on the date of next publication).

18. It is further understood and agreed as follows:

- i The **Cyber Aggregate** shall be the maximum liability of the **Insurer** for all **Loss, Defense Costs, Regulatory Damages, Breach Expenses, Extortion Expenses** and **Business Interruption Loss** under this CYBER EXTENSION, for all **Claims, Breaches** and **Extortion Threats**, combined, and shall apply regardless of the number of **Claims, Insureds, Breaches** and **Extortions Threats**. The **Cyber Aggregate** shall be part of, and not in addition to the Policy Aggregate set forth in **Item 6.** of the Declarations.

- ii. The maximum liability of the **Insurer** for all **Loss, Defense Costs, Regulatory Damages, Breach Expenses and Extortion Expenses** under this CYBER EXTENSION, arising from all **Claims, Breaches and Extortion Threats**, combined, shall be:
- a. For an **Agent**, \$<#####> each **Claim, Breach and Extortion Threat**, and \$<#####> in the aggregate, which amounts shall be part of, and not in addition to, such **Agent's** elected each **Claim** and aggregate Limits of Liability option set forth in **Item 7.A.i.** of the Declarations and stated in such **Agent's Certificate**, the **Cyber Aggregate** and the Policy Aggregate set forth in **Item 6.** of the Declarations; and
 - b. For a **Registered Representative or Registered Investment Adviser**, \$<#####> each **Claim, Breach and Extortion Threat**, and \$<#####> in the aggregate, which amounts shall be part of, and not in addition to, such **Registered Representative's or Registered Investment Adviser's** elected each **Claim** and aggregate Limits of Liability option set forth in **Item 7.A.ii.** of the Declarations and stated in such **Registered Representative's or Registered Investment Adviser's Certificate**, the **Cyber Aggregate** and the Policy Aggregate set forth in **Item 6.** of the Declarations.
- iii. For each **Agent, Registered Representative or Registered Investment Adviser**, the maximum liability of the **Insurer** for all **Business Interruption Loss** under **Insuring Agreement CYB-D** of this CYBER EXTENSION shall be \$1,000 per business day during the **Business Interruption** and \$10,000 in the aggregate for each **Business Interruption**, which amounts will be part of, and not in addition to, any applicable aggregate limit of limit of liability per **Agent, Registered Representative or Registered Investment Adviser** set forth in paragraphs **ii.a** and **ii.b** above, the **Cyber Aggregate** and the Policy Aggregate set forth in **Item 6.** of the Declarations.
- iv. The Retention amount for each **Claim, each Breach and each Extortion Threat** under this CYBER EXTENSION for an **Agent**, or a **Registered Representative or Registered Investment Adviser** shall be \$<#####> and not the amount stated in **Item 8.** of the Declarations. Further, the **Insurer's** liability with respect to covered amounts under this CYBER EXTENSION resulting from each **Claim, each Breach and each Extortion Threat** shall be excess of the Retention stated in this subparagraph **ii.** and such Retention shall be borne by the **Insured**. No Retention shall apply to any **Business Interruption Loss** under **Insuring Agreement CYB-D** of this CYBER EXTENSION.

All other terms and conditions of this policy remain unchanged.