



CYBER LIABILITY & DATA BREACH RESPONSE

2023-2024

COVERAGE DOCUMENT



Effective October 1, 2023

(512) 491-2300

www.tmlirp.org

CYBER LIABILITY AND DATA BREACH RESPONSE COVERAGE DOCUMENT

COVERAGE PERIOD

This Cyber Liability and Data Breach Response Coverage Document shall be a part of the TML Municipal Liability Self-Insurance Plan and the TML Municipal Property Self-Insurance Plan, but none of the terms, conditions, definitions, or exclusions in the Texas Municipal League Joint Self-Insurance Fund Liability Coverage Document or the Texas Municipal League Joint Self-Insurance Fund Property Coverage Document shall apply to this Coverage Document. This Cyber Liability and Data Breach Response Coverage Document, and the Declarations of Coverage designating the coverages, limits, and retentions of this document shall constitute and herein be referred to as the **Coverage Document**.

Liability coverage is provided on a claims made and reported basis and applies only to claims first made against a **Covered Party** during the **Coverage Period** or the Optional Extension Period (if applicable) and reported to the **Fund** in accordance with the terms of this coverage.

Amounts incurred as claims expenses will reduce and may exhaust the limit of liability and are subject to retentions. Certain coverages require prior consent or approval.

Various provisions in this **Coverage Document** restrict coverage. Read the entire **Coverage Document** carefully to determine rights, duties, and what is and is not covered.

Throughout this **Coverage Document**, the word **Member** refers to the **Member** shown in the Cyber Liability and Data Breach Response Declarations of this **Coverage Document**. The word the **Fund** refers to the Texas Municipal League Joint Self-Insurance Fund.

Other words and phrases that appear in **bold** have special meaning. Refer to **Section II. DEFINITIONS**.

The terms and conditions of the termination provisions of the Interlocal Agreement, and any amendment to such terms and conditions, are the only terms and conditions incorporated herein and shall apply to coverage as is afforded by this **Coverage Document**, unless specifically stated otherwise in an endorsement(s) attached hereto.

SECTION I – COVERAGE AGREEMENTS

A. Breach Response

To provide **Breach Response Services** to the **Member** because of an actual or reasonably suspected **Data Breach** or **Security Breach** that a **Covered Party** first discovers during the **Coverage Period**.

B. First Party Loss

To indemnify the **Member** for:

Business Interruption Loss

Business Interruption Loss that the **Member** sustains as a result of a **Security Breach** that a **Covered Party** first discovers during the **Coverage Period**.

Cyber Extortion Loss

Cyber Extortion Loss that the **Member** incurs as a result of an **Extortion Threat** first made against the **Member** during the **Coverage Period**.

Data Recovery Costs

Data Recovery Costs that the **Member** incurs as a direct result of a **Security Breach** that a **Covered Party** first discovers during the **Coverage Period**.

Reputational Loss

Reputational Loss that the **Member** incurs during the **Notification Period** as a result of (i) an actual or reasonably suspected **Data Breach** or **Security Breach** that the **Member** first discovers during the **Coverage Period** and (ii) for which individuals have been notified pursuant to part 4 of the **Breach Response Services** definition.

C. Liability

Data & Network Liability

To pay **Damages** and **Claims Expenses**, which a **Covered Party** is legally obligated to pay because of any **Claim** first made against any **Covered Party** during the **Coverage Period** for:

1. a **Data Breach**;
2. a **Security Breach**;
3. the **Member's** failure to timely disclose a **Data Breach** or **Security Breach**;
4. failure by the **Covered Party** to comply with that part of a **Privacy Policy** that specifically:
 - (a) prohibits or restricts the **Member's** disclosure, sharing, or selling of **Personally Identifiable Information**;
 - (b) requires the **Member** to provide an individual access to **Personally Identifiable Information** or to correct incomplete or inaccurate **Personally Identifiable Information** after a request is made; or
 - (c) mandates procedures and requirements to prevent the loss of **Personally Identifiable Information**;

provided the **Member** has in force, at the time of such failure, a **Privacy Policy** that addresses those subsections above that are relevant to such **Claim**.

Regulatory Defense & Penalties

To pay **Penalties** and **Claims Expenses**, which a **Covered Party** is legally obligated to pay because of a **Regulatory Proceeding** first made against any **Covered Party** during the **Coverage Period** for a **Data Breach** or a **Security Breach**.

Payment Card Liabilities & Costs

To indemnify the **Member** for **PCI Fines, Expenses and Costs** which it is legally obligated to pay because of a **Claim** first made against any **Covered Party** during the **Coverage Period**. For purposes of this **Coverage Document**, **PCI** means Payment Card Industry.

Media Liability

To pay **Damages** and **Claims Expenses**, which a **Covered Party** is legally obligated to pay because of any **Claim** first made against any **Covered Party** during the **Coverage Period** for **Media Liability**.

D. eCrime

To indemnify the **Member** for any direct financial loss sustained resulting from:

1. **Fraudulent Instruction;**
2. **Funds Transfer Fraud;** or
3. **Telephone Fraud;**

that a **Covered Party** first discovers during the **Coverage Period** or to indemnify the **Member** for **Criminal Reward Funds**.

SECTION II – DEFINITIONS

- A. Additional Covered Party** means any person or entity that the **Member** has agreed in writing to add as an **Additional Covered Party** under this coverage, provided an endorsement has been issued by the **Fund**, at the **Fund's** discretion, prior to the commission of any act for which such person or entity would be provided coverage under this coverage, but only to the extent the **Member** would have been liable and coverage would have been afforded under the terms and conditions of this **Coverage Document** had such **Claim** been made against the **Member**.
- B. Agreement** means the Interlocal Agreement executed between the **Fund** and the **Member** and the Declarations of Coverage designating those coverages, limits, and deductibles adopted by the **Member** in the Interlocal Agreement.
- C. Breach Notice Law** means any statute or regulation that requires notice to persons whose personal information was accessed or reasonably may have been accessed by an unauthorized person. **Breach Notice Law** also includes any statute or regulation requiring notice of a **Data Breach** to be provided to governmental or regulatory authorities.
- D. Breach Response Services** means the following fees and costs in response to an actual or reasonably suspected **Data Breach** or **Security Breach**:
1. for an attorney to provide necessary legal advice to the **Member** to evaluate its obligations pursuant to **Breach Notice Laws** or a **Merchant Services Agreement** and in connection with providing the **Breach Response Services** described below;
 2. for a computer security expert to determine the existence, cause, and scope of an actual or reasonably suspected **Data Breach**, and if such **Data Breach** is actively in progress on the **Member's Computer Systems**, to assist in containing it;
 3. for a **PCI Forensic Investigator** to investigate the existence and extent of an actual or reasonably suspected **Data Breach** involving payment card data and for a **Qualified Security Assessor** to certify and assist in attesting to the **Member's PCI** compliance, as required by a **Merchant Services Agreement**;
 4. to notify those individuals whose **Personally Identifiable Information** was potentially impacted by a **Data Breach**;
 5. to provide a call center to respond to inquiries about a **Data Breach**;
 6. to provide a credit monitoring, identity monitoring, or other solution approved by the **Fund** to individuals whose **Personally Identifiable Information** was potentially impacted by a **Data Breach**; and
 7. public relations and crisis management costs directly related to mitigating harm to the **Member** which are approved in advance by the **Fund** in its discretion.

Breach Response Services will be provided by providers chosen by the **Fund**, from its panel, in consultation with the **Covered Party**, and will be subject to the terms and conditions of this **Coverage Document** and will not include any internal salary or overhead expenses of the **Member**.

E. Business Interruption Loss means:

1. **Income Loss**;
2. **Forensic Expenses**; and
3. **Extra Expense**

actually sustained during the **Period of Restoration** as a result of the actual interruption of the **Member's** business operations caused by a **Security Breach**. Coverage for **Business Interruption Loss** will apply only after the **Waiting Period** has elapsed.

Business Interruption Loss will not include (i) loss arising out of any liability to any third party; (ii) legal costs or legal expenses; (iii) loss incurred as a result of unfavorable business conditions; (iv) loss of market or any other consequential loss; or (v) **Data Recovery Costs**.

F. Claim means:

1. a written demand received by any **Covered Party** for money or services;
2. with respect to coverage provided under the Regulatory Defense & Penalties coverage agreement only, institution of a **Regulatory Proceeding** against any **Covered Party**; and
3. with respect to coverage provided under part 1. of the Data & Network Liability coverage agreement only, a demand received by any **Covered Party** to fulfill the **Member's** contractual obligation to provide notice of a **Data Breach** pursuant to a **Breach Notice Law**.

Multiple **Claims** arising from the same or a series of related, repeated, or continuing acts, errors, omissions, or events will be considered a single **Claim** for the purposes of this **Coverage Document**. All such **Claims** will be deemed to have been made at the time of the first such **Claim**.

G. Claims Expenses means:

1. all reasonable and necessary legal costs and expenses resulting from the investigation, defense, and appeal of a **Claim**, if incurred by the **Fund**, or by the **Covered Party** with the **Fund's** prior written consent; and
2. the premium cost for appeal bonds for covered judgments or bonds to release property used to secure a legal obligation, if required in any **Claim** against a **Covered Party**; provided the **Fund** will have no obligation to appeal or to obtain bonds.

Claims Expenses will not include any salary, overhead, or other charges by the **Covered Party** for any time spent in cooperating in the defense and investigation of any **Claim** or circumstance that might lead to a **Claim** notified under this **Coverage Document**, or costs to comply with any regulatory orders, settlements, or judgments.

H. Computer Systems means computers, any software residing on such computers and any associated devices or equipment:

1. operated by and either owned by or leased to the **Member**; or
2. with respect to coverage under the Breach Response and Liability coverage agreements, operated by a third party pursuant to written contract with the **Member** and used for the purpose of providing

hosted computer application services to the **Member** or for processing, maintaining, hosting, or storing the **Member's** electronic data.

- I. **Control Group** means any principal, partner, corporate officer, director, general counsel (or most senior legal counsel), or risk manager of the **Member** and any individual in a substantially similar position.
- J. **Coverage Document** means the Cyber Liability and Data Breach Response Coverage Document and the Cyber Liability and Data Breach Response Declarations of Coverage designating the coverages, limits, and retentions of this coverage.
- K. **Coverage Period** means the period of time between the inception or effective date and the anniversary date listed in the Cyber Liability and Data Breach Response Declarations or the effective date of termination or cancellation of this Cyber Liability and Data Breach Response **Coverage Document** and specifically excludes any Optional Extension Period or any prior **Coverage Period** or renewal period.
- L. **Covered Party** means:
1. The **Member**;
 2. Any officer, director, elected or appointed official, and any member of a board or commission of the **Member**, but only with respect to the performance of his or her duties as such on behalf of the **Member**;
 3. An employee (including a part time, temporary and leased or seasonal employee) or **Individual Contractor** of the **Member**, but only for work done while acting within the scope of his or her employment or contract and related to the conduct of the **Member's** business;
 4. Any volunteer while acting within the scope of duties assigned by the **Member** and while under the general supervision of an officer, director, elected or appointed official, member of a board or commission of the **Member**, or an employee of the **Member**, but only for work related to the conduct of the **Member's** business;
 5. Any person who previously qualified as a **Covered Party** under parts 2-4 above, but only with respect to the performance of their duties as such on behalf of the **Member**.
 6. An **Additional Covered Party**, but only as respects **Claims** against such person or entity for acts, errors, or omissions of the **Member**.
- M. **Criminal Reward Funds** means any amount offered and paid by the **Member** with the **Fund's** prior written consent for information that leads to the arrest and conviction of any individual(s) committing or trying to commit any illegal act related to any coverage under this **Coverage Document**; but will not include any amount based upon information provided by the **Covered Party**, the **Covered Party's** auditors, or any individual hired or retained to investigate the illegal acts. All **Criminal Reward Funds** offered pursuant to this **Coverage Document** must expire no later than 6 months following the end of the **Coverage Period**.
- N. **Cyber Extortion Loss** means:
1. any **Extortion Payment** that has been made by or on behalf of the **Member** with the **Fund's** prior written consent to prevent or terminate an **Extortion Threat**; and
 2. reasonable and necessary expenses incurred by the **Member** with the **Fund's** prior written consent to prevent or respond to an **Extortion Threat**.
- O. **Cyber War** means any harmful act, or any series of related, repeated, or continuing harmful acts, conducted using one or more computers (which includes any software residing on such computer, and any associated devices or equipment) directed against one or more computers (which includes any software residing on such computer, and any associated devices or equipment) that is committed by, or at the direction or under the control of, a sovereign state, and which:

1. is conducted as part of a **War**; or
2. causes a major detrimental impact on:
 - (i) the functioning of another sovereign state due to disruption to the availability, delivery, or integrity of any **Essential Service** in that other sovereign state; and/or
 - (ii) the security or defense of another sovereign state,

provided however that **Cyber War** shall not mean the direct or indirect effect of such harmful act(s) which causes a major detrimental impact on a sovereign state as described in parts 2.(i). and/or 2.(ii). above, on any **Computer Systems** not physically located in a sovereign state which has suffered such major detrimental impact described in parts 2.(i). and/or 2.(ii). above.

P. Damages means a monetary judgment, award, or settlement, including any award of prejudgment or post-judgment interest; but **Damages** will not include:

1. future profits, restitution, disgorgement of unjust enrichment or profits by a **Covered Party**, or the costs of complying with orders granting injunctive or equitable relief;
2. return or offset of fees, charges, or commissions charged by or owed to a **Covered Party** for goods or services already provided or contracted to be provided;
3. taxes or loss of tax benefits;
4. fines, sanctions, or penalties;
5. punitive or exemplary damages or any damages which are a multiple of compensatory damages, unless insurable by law in any applicable venue that most favors coverage for such punitive, exemplary, or multiple damages;
6. discounts, coupons, prizes, awards, or other incentives offered to the **Covered Party's** customers or clients;
7. liquidated damages, but only to the extent that such damages exceed the amount for which the **Covered Party** would have been liable in the absence of such liquidated damages agreement;
8. fines, costs, or other amounts a **Covered Party** is responsible to pay under a **Merchant Services Agreement**; or
9. any amounts for which the **Covered Party** is not liable, or for which there is no legal recourse against the **Covered Party**.

Q. Data means any software or electronic data that exists in **Computer Systems** and that is subject to regular back-up procedures.

R. Data Breach means the theft, loss, or **Unauthorized Disclosure** of **Personally Identifiable Information** or **Third Party Information** that is in the care, custody, or control of the **Member** or a third party for whose theft, loss, or **Unauthorized Disclosure** of **Personally Identifiable Information** or **Third Party Information** the **Member** is liable.

S. Data Recovery Costs means the reasonable and necessary costs incurred by the **Member** to regain access to, replace, or restore **Data**, or if **Data** cannot reasonably be accessed, replaced, or restored, then the reasonable and necessary costs incurred by the **Member** to reach this determination.

Data Recovery Costs will not include: (i) the monetary value of profits, royalties, or lost market share related to **Data**, including but not limited to trade secrets or other proprietary information or any other amount pertaining to the value of **Data**; (ii) legal costs or legal expenses; (iii) loss arising out of any liability to any third party; (iv) **Cyber Extortion Loss**; or (v) any of the **Member's** internal salary or overhead expenses.

T. Digital Currency means a type of digital currency that:

1. requires cryptographic techniques to regulate the generation of units of currency and verify the transfer thereof;
2. is both stored and transferred electronically; and
3. operates independently of a central bank or other central authority.

U. Essential Service means a service that is essential for the maintenance of vital functions of a sovereign state, including but not limited to financial institutions and associated financial market infrastructure, emergency services, health services, utility services, and/or services that are essential for the maintenance of the food, energy, and/or transportation sector.

V. Extortion Payment means **Money**, **Digital Currency**, marketable goods, or services demanded to prevent or terminate an **Extortion Threat**.

W. Extortion Threat means a threat to:

1. alter, destroy, damage, delete, or corrupt **Data**;
2. perpetrate the **Unauthorized Access or Use of Computer Systems**;
3. prevent access to **Computer Systems** or **Data**;
4. steal, misuse, or publicly disclose **Data**, **Personally Identifiable Information**, or **Third Party Information**;
5. introduce malicious code into **Computer Systems** or to third party computer systems from **Computer Systems**; or
6. interrupt or suspend **Computer Systems**;

unless an **Extortion Payment** is received from or on behalf of the **Member**.

X. Extra Expense means reasonable and necessary expenses incurred by the **Member** during the **Period of Restoration** to minimize, reduce, or avoid **Income Loss**, over and above those expenses the **Member** would have incurred had no **Security Breach** occurred.

Y. Financial Institution means a bank, credit union, saving and loan association, trust company or other licensed financial service, securities broker-dealer, mutual fund, or liquid assets fund or similar investment company where the **Member** maintains a bank account.

Z. Forensic Expenses means reasonable and necessary expenses incurred by the **Member** to investigate the source or cause of a **Business Interruption Loss**.

AA. Fraudulent Instruction means the transfer, payment, or delivery of **Money** or **Securities** by a **Covered Party** as a result of fraudulent written, electronic, telegraphic, cable, teletype, or telephone instructions provided by a third party, that is intended to mislead a **Covered Party** through the misrepresentation of a material fact which is relied upon in good faith by such **Covered Party**.

Fraudulent Instruction will not include loss arising out of:

1. fraudulent instructions received by a **Covered Party** which are not first authenticated via a method other than the original means of request to verify the authenticity or validity of the request;
2. any actual or alleged use of credit, debit, charge, access, convenience, customer identification, or other cards;
3. any transfer involving a third party who is not a natural person **Covered Party** but had authorized access to the **Covered Party's** authentication mechanism;
4. the processing of, or the failure to process, credit, check, debit, personal identification number debit, electronic benefit transfers, or mobile payments for merchant accounts;
5. accounting or arithmetical errors or omissions, or the failure, malfunction, inadequacy, or illegitimacy of any product or service;
6. any liability to any third party, or any indirect or consequential loss of any kind;
7. any legal costs or legal expenses; or
8. proving or establishing the existence of **Fraudulent Instruction**.

BB. Fund means the Texas Municipal League Joint Self-Insurance Fund.

CC. Funds Transfer Fraud means the loss of **Money** or **Securities** contained in a **Transfer Account** at a **Financial Institution** resulting from fraudulent written, electronic, telegraphic, cable, teletype, or telephone instructions by a third party issued to a **Financial Institution** directing such institution to transfer, pay, or deliver **Money** or **Securities** from any account maintained by the **Member** at such institution, without the **Member's** knowledge or consent.

Funds Transfer Fraud will not include any loss arising out of:

1. the type or kind covered by the **Member's** financial institution's bond or the financial institution's commercial crime policy;
2. any actual or alleged fraudulent, dishonest, or criminal act or omission by, or involving, any natural person **Covered Party**;
3. any indirect or consequential loss of any kind;
4. punitive, exemplary, or multiplied damages of any kind or any fines, penalties, or loss of any tax benefit;
5. any liability to any third party, except for direct compensatory damages arising directly from **Funds Transfer Fraud**;
6. any legal costs or legal expenses; or proving or establishing the existence of **Funds Transfer Fraud**;
7. the theft, disappearance, destruction of, unauthorized access to, or unauthorized use of confidential information, including a PIN or security code;
8. any forged, altered, or fraudulent negotiable instruments, securities, documents, or instructions; or
9. any actual or alleged use of credit, debit, charge, access, convenience, or other cards or the information contained on such cards.

DD. Income Loss means an amount equal to:

1. net profit or loss before interest and tax that the **Member** would have earned or incurred; and
2. continuing normal operating expenses incurred by the **Member** (including payroll), but only to the extent that such operating expenses must necessarily continue during the **Period of Restoration**.

EE. Individual Contractor means any natural person who performs labor or service for the **Member** pursuant to a written contract or agreement with the **Member**. The status of an individual as an **Individual Contractor** will be determined as of the date of an alleged act, error, or omission by any such **Individual Contractor**.

FF. Loss means **Breach Response Services, Business Interruption Loss, Claims Expenses, Criminal Reward Funds, Cyber Extortion Loss, Damages, Data Recovery Costs, PCI Fines, Expenses and Costs, Penalties, Reputational Loss**, loss covered under the eCrime coverage agreement, and any other amounts covered under this **Coverage Document**.

Multiple **Losses** arising from the same or a series of related, repeated, or continuing acts, errors, omissions, or events will be considered a single **Loss** for the purposes of this Coverage.

With respect to the Breach Response and First Party Loss coverage agreements, all acts, errors, omissions, or events (or series of related, repeated, or continuing acts, errors, omissions, or events) giving rise to a **Loss** or multiple **Losses** in connection with such coverage agreements will be deemed to have been discovered at the time the first such act, error, omission, or event is discovered.

GG. Media Liability means one or more of the following acts committed by, or on behalf of, the **Member** in the course of creating, displaying, broadcasting, disseminating, or releasing **Media Material** to the public:

1. defamation, libel, slander, product disparagement, trade libel, infliction of emotional distress, outrage, outrageous conduct, or other tort related to disparagement or harm to the reputation or character of any person or organization;
2. a violation of the rights of privacy of an individual, including false light, intrusion upon seclusion, and public disclosure of private facts;
3. invasion or interference with an individual's right of publicity, including commercial appropriation of name, persona, voice, or likeness;
4. plagiarism, piracy, or misappropriation of ideas under implied contract;
5. infringement of copyright;
6. infringement of domain name, trademark, trade name, trade dress, logo, title, metatag, or slogan, service mark, or service name;
7. improper deep-linking or framing;
8. false arrest, detention, or imprisonment;
9. invasion of or interference with any right to private occupancy, including trespass, wrongful entry, or eviction; or
10. unfair competition, if alleged in conjunction with any of the acts listed in parts 5. or 6. above.

HH. Media Material means any information, including words, sounds, numbers, images, or graphics, but will not include computer software or the actual goods, products, or services described, illustrated, or displayed in such **Media Material**.

II. Member means the political subdivision within the State of Texas listed in the Cyber Liability and Data Breach Response Declarations.

JJ. Merchant Services Agreement means any agreement between a **Covered Party** and a financial institution, credit/debit card company, credit/debit card processor, or independent service operator enabling a **Covered Party** to accept credit card, debit card, prepaid card, or other payment cards for payments or donations.

KK. Money means a medium of exchange in current use authorized or adopted by a domestic or foreign government as a part of its currency.

LL. Notification Period means the 30-day period that begins on the specific date on which notified individuals first receive notification of the incident for which notification services are provided.

MM. PCI Fines, Expenses and Costs means the monetary amount owed by the **Member** under the terms of a **Merchant Services Agreement** as a direct result of a suspected **Data Breach**. With the **Fund's** prior consent, **PCI Fines, Expenses and Costs** includes reasonable and necessary legal costs and expenses incurred by the **Member** to appeal or negotiate an assessment of such monetary amount. **PCI Fines, Expenses and Costs** will not include any charge backs, interchange fees, discount fees, or other fees unrelated to a **Data Breach**.

NN. Penalties means:

1. any monetary civil fine or penalty payable to a governmental entity that was imposed in a **Regulatory Proceeding**; and
2. amounts which the **Covered Party** is legally obligated to deposit in a fund as equitable relief for the payment of consumer claims due to an adverse judgment or settlement of a **Regulatory Proceeding** (including such amounts required to be paid into a Consumer Redress Fund);

but will not include: (a) costs to remediate or improve **Computer Systems**; (b) costs to establish, implement, maintain, improve, or remediate security or privacy practices, procedures, programs, or policies; (c) audit, assessment, compliance, or reporting costs; or (d) costs to protect the confidentiality, integrity, and/or security of **Personally Identifiable Information** or other information.

The ability to cover **Penalties** will be in accordance with the law in the applicable venue that most favors coverage for such **Penalties**.

OO. Period of Restoration means the 180-day period of time that begins upon the actual and necessary interruption of the **Member's** business operations.

PP. Personally Identifiable Information means:

1. any information concerning an individual that is defined as personal information under any **Breach Notice Law**; and
2. an individual's driver's license or state identification number, social security number, unpublished telephone number, and credit, debit, or other financial account numbers in combination with associated security codes, access codes, passwords, or PINs; if such information allows an individual to be uniquely and reliably identified or contacted or allows access to the individual's financial account or medical record information.

but will not include information that is lawfully made available to the general public.

QQ. Privacy Policy means the **Member's** public declaration of its policy for collection, use, disclosure, sharing, dissemination, and correction or supplementation of, and access to **Personally Identifiable Information**.

RR. Regulatory Proceeding means a request for information, civil investigative demand, or civil proceeding brought by or on behalf of any federal, state, local, or foreign governmental entity in such entity's regulatory or official capacity.

SS. Reputational Income Loss means the net profit resulting directly from the **Member's** business operations, before income taxes, that the **Member** is prevented from earning as a direct result of damage to the **Member's** reputation caused by an actual or reasonably suspected **Data Breach** or **Security Breach**. In determining **Reputational Income Loss**, due consideration shall be given to the prior experience of the **Member's** business operations before the beginning of the **Notification Period** and to the reasonable and probable business operations the **Member** could have performed had the actual or reasonably suspected **Data Breach** or **Security Breach** not occurred.

Reputational Income Loss does not include any internal salary, costs, or overhead expenses of the **Member**.

TT. Reputational Loss means the **Reputational Income Loss** during the **Notification Period**; provided that **Reputational Loss** shall not mean and no coverage shall be available under this coverage for any of the following: loss arising out of any liability to any third party for whatever reason; legal costs or legal expenses of any type; loss incurred as a result of unfavorable business conditions, loss of market, or any other consequential loss; or costs or expenses the **Member** incurs to identify, investigate, respond to, or remediate an actual or reasonably suspected **Data Breach** or **Security Breach**.

UU. Securities means negotiable and non-negotiable instruments or contracts representing either **Money** or tangible property that has intrinsic value.

VV. Security Breach means a failure of computer security to prevent:

1. **Unauthorized Access or Use of Computer Systems**, including **Unauthorized Access or Use** resulting from the theft of a password from a **Computer System** or from any **Covered Party**;
2. a denial of service attack affecting **Computer Systems**;
3. with respect to coverage under the Liability coverage agreements, a denial of service attack affecting computer systems that are not owned, operated, or controlled by a **Covered Party**; or
4. infection of **Computer Systems** by malicious code or transmission of malicious code from **Computer Systems**.

WW. Telephone Fraud means the act of a third party gaining access to and using the **Member's** telephone system in an unauthorized manner.

XX. Third Party Information 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 covered under this Coverage which is not available to the general public.

YY. Transfer Account means an account maintained by the **Member** at a **Financial Institution** from which the **Member** can initiate the transfer, payment, or delivery of **Money** or **Securities**.

ZZ. Unauthorized Access or Use means the gaining of access to or use of **Computer Systems** by an unauthorized person(s) or the use of **Computer Systems** in an unauthorized manner.

AAA. Unauthorized Disclosure means the disclosure of (including disclosure resulting from phishing) or access to information in a manner that is not authorized by the **Member** and is without knowledge of, consent, or acquiescence of any member of the **Control Group**.

BBB. Waiting Period means the period of time that begins upon the actual interruption of the **Member's** business operations caused by a **Security Breach** and ends after the elapse of twelve (12) hours.

CCC. War means the use of physical force by a sovereign state against another sovereign state (whether war be declared or not) or as part of a civil war, rebellion, revolution, insurrection, and/or military or usurped power.

SECTION III – EXCLUSIONS

The coverage under this **Coverage Document** will not apply to any **Loss** arising out of:

A. Bodily Injury or Property Damage

1. physical injury, sickness, disease, or death of any person, including any mental anguish or emotional distress resulting from such physical injury, sickness, disease, or death; or
2. physical injury to or destruction of any tangible property, including the loss of use thereof; but electronic data will not be considered tangible property;

B. Trade Practices and Antitrust

any actual or alleged false, deceptive, or unfair trade practices, antitrust violation, restraint of trade, unfair competition (except as provided in the Media Liability insuring agreement), or false or deceptive or misleading advertising or violation of the Sherman Antitrust Act, the Clayton Act, or the Robinson-Patman Act; but this exclusion will not apply to:

1. the Breach Response coverage agreement; or
2. coverage for a **Data Breach** or **Security Breach**, provided no member of the **Control Group** participated or colluded in such **Data Breach** or **Security Breach**;

C. Gathering or Distribution of Information

1. the unlawful collection or retention of **Personally Identifiable Information** or other personal information by or on behalf of the **Member**; but this exclusion will not apply to **Claims Expenses** incurred in defending a **Covered Party** against allegations of unlawful collection of **Personally Identifiable Information**; or
2. the distribution of unsolicited email, text messages, direct mail, facsimiles, or other communications, wiretapping, audio or video recording, or telemarketing, if such distribution, wiretapping, recording, or telemarketing is done by or on behalf of the **Member**; but this exclusion will not apply to **Claims Expenses** incurred in defending a **Covered Party** against allegations of unlawful audio or video recording;

D. Prior Known Acts & Prior Noticed Claims

1. any act, error, omission, incident, or event committed or occurring prior to the inception date of this **Coverage Document** if any member of the **Control Group** on or before the inception date of this **Coverage Document** knew or could have reasonably foreseen that such act, error or omission, incident, or event might be expected to be the basis of a **Claim** or **Loss**;
2. any **Claim**, **Loss**, incident, or circumstance for which notice has been provided under any prior policy or coverage of which this **Coverage Document** is a renewal or replacement;

E. Racketeering, Benefit Plans, Employment Liability & Discrimination

1. any actual or alleged violation of the Organized Crime Control Act of 1970 (commonly known as Racketeer Influenced and Corrupt Organizations Act or RICO), as amended;
2. any actual or alleged acts, errors, or omissions related to any of the **Member's** pension, healthcare, Welfare, profit sharing, mutual or investment plans, funds, or trusts;
3. any employer-employee relations, policies, practices, acts, or omissions, or any actual or alleged refusal to employ any person, or misconduct with respect to employees; or
4. any actual or alleged discrimination;

but this exclusion will not apply to coverage under the Breach Response coverage agreement or parts 1., 2., or 3. of the Data & Network Liability coverage agreement that results from a **Data Breach**; provided no member of the **Control Group** participated or colluded in such **Data Breach**;

F. Sale or Ownership of Securities & Violation of Securities Laws

1. the ownership, sale, or purchase of, or the offer to sell or purchase stock or other securities; or
2. an actual or alleged violation of a securities law or regulation;

G. Criminal, Intentional or Fraudulent Acts

any criminal, dishonest, fraudulent, or malicious act or omission, or intentional or knowing violation of the law, if committed by a **Covered Party**, or by others if the **Covered Party** colluded or participated in any such conduct or activity; but this exclusion will not apply to:

1. **Claims Expenses** incurred in defending any **Claim** alleging the foregoing until there is a final non-appealable adjudication establishing such conduct; or
2. with respect to a natural person **Covered Party**, if such **Covered Party** did not personally commit, participate in, or know about any act, error, omission, incident, or event giving rise to such **Claim** or **Loss**.

For purposes of this exclusion, only acts, errors, omissions, or knowledge of a member of the **Control Group** will be imputed to the **Member**;

H. Patent, Software Copyright, Misappropriation of Information

1. infringement, misuse, or abuse of patent or patent rights;
2. infringement of copyright arising from or related to software code or software products other than infringement resulting from a theft or **Unauthorized Access or Use** of software code by a person who is not a past, present, or future employee, director, officer, partner, or independent contractor of the **Member**; or
3. use or misappropriation of any ideas, trade secrets, or **Third Party Information** (i) by, or on behalf of, the **Member**, or (ii) by any other person or entity if such use or misappropriation is done with the knowledge, consent, or acquiescence of a member of the **Control Group**;

I. Governmental Actions

a **Claim** brought by or on behalf of any state, federal, local, or foreign governmental entity, in such entity's regulatory or official capacity; but this exclusion will not apply to the Regulatory Defense & Penalties coverage agreement;

J. Other Covered Parties & Related Enterprises

a **Claim** made by or on behalf of:

1. any **Covered Party**; but this exclusion will not apply to a **Claim** made by an **Additional Covered Party** or an individual that is not a member of the **Control Group** under the Data & Network Liability coverage agreement; or
2. any business enterprise in which any **Covered Party** has greater than 15% ownership interest or made by any parent company or other entity which owns more than 15% of the **Member**;

K. Trading Losses, Loss of Money & Discounts

1. any trading losses, trading liabilities, or change in value of accounts;
2. any loss, transfer, or theft of monies, securities, or tangible property of the **Covered Party** or others in the care, custody, or control of the **Member**;
3. the monetary value of any transactions or electronic fund transfers by or on behalf of a **Covered Party** which is lost, diminished, or damaged during transfer from, into, or between accounts; or
4. the value of coupons, price discounts, prizes, awards, or any other valuable consideration given in excess of the total contracted or expected amount;

but this exclusion will not apply to coverage under the eCrime coverage agreement;

L. Media-Related Exposures

with respect to the Media Liability coverage agreement:

1. any contractual liability or obligation; but this exclusion will not apply to a **Claim** for misappropriation of ideas under implied contract;
2. the actual or alleged obligation to make licensing fee or royalty payments;
3. any costs or expenses incurred or to be incurred by a **Covered Party** or others for the reprinting, reposting, recall, removal, or disposal of any **Media Material** or any other information, content, or media, including any media or products containing such **Media Material**, information, content, or media;
4. any **Claim** brought by or on behalf of any intellectual property licensing bodies or organizations;
5. the actual or alleged inaccurate, inadequate, or incomplete description of the price of goods, products, or services, cost guarantees, cost representations, contract price estimates, or the failure of any goods or services to conform with any represented quality or performance;
6. any actual or alleged gambling, contest, lottery, promotional game, or other game of chance; or
7. any **Claim** made by or on behalf of any independent contractor, joint venturer, or venture partner arising out of or resulting from disputes over ownership of rights in **Media Material** or services provided by such independent contractor, joint venturer, or venture partner;

M. First Party Loss

with respect to the First Party Loss coverage agreements:

1. seizure, nationalization, confiscation, or destruction of property or data by order of any governmental or public authority;
2. costs or expenses incurred by the **Covered Party** to identify or remediate software program errors or vulnerabilities or update, replace, restore, assemble, reproduce, recollect, or enhance data or **Computer Systems** to a level beyond that which existed prior to a **Security Breach** or **Extortion Threat**;
3. failure or malfunction of satellites or of power, utility, mechanical, or telecommunications (including internet) infrastructure or services that are not under the **Member's** direct operational control; or
4. fire, flood, earthquake, volcanic eruption, explosion, lightning, wind, hail, tidal wave, landslide, act of God, or other physical event;

N. War and Cyber War

The coverage under this **Coverage Document** will not apply to any **Loss** arising:

1. directly or indirectly out of **War**; or
2. from a **Cyber War**.

This exclusion applies notwithstanding anything to the contrary in this **Coverage Agreement** or any appendix or endorsement added to this.

O. Asbestos, Pollution, and Contamination

1. asbestos, or any materials containing asbestos in whatever form or quantity;
2. the actual, potential, alleged, or threatened formation, growth, presence, release, or dispersal of any fungi, molds, spores, or mycotoxins of any kind; any action taken by any party in response to the actual, potential, alleged, or threatened formation, growth, presence, release, or dispersal of fungi, molds, spores, or mycotoxins of any kind, such action to include investigating, testing for, detection of, monitoring of, treating, remediating, or removing such fungi, molds, spores, or mycotoxins; and any governmental or regulatory order, requirement, directive, mandate, or decree that any party take action in response to the actual, potential, alleged, or threatened formation, growth, presence, release, or dispersal of fungi, molds, spores, or mycotoxins of any kind, such action to include investigating, testing for, detection of, monitoring of, treating, remediating, or removing such fungi, molds, spores, or mycotoxins;

The **Fund** will have no duty or obligation to defend any **Covered Party** with respect to any **Claim** or governmental or regulatory order, requirement, directive, mandate, or decree which either in whole or in part, directly or indirectly, arises out of or results from or in consequence of, or in any way involves the actual, potential, alleged, or threatened formation, growth, presence, release, or dispersal of any fungi, molds, spores, or mycotoxins of any kind;

3. the existence, emission, or discharge of any electromagnetic field, electromagnetic radiation, or electromagnetism that actually or allegedly affects the health, safety, or condition of any person or the environment, or that affects the value, marketability, condition, or use of any property; or
4. the actual, alleged, or threatened discharge, dispersal, release, or escape of Pollutants; or any governmental, judicial, or regulatory directive or request that the **Covered Party** or anyone acting under the direction or control of the **Covered Party** test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize Pollutants. Pollutants means any solid, liquid, gaseous, or thermal irritant or contaminant including gas, acids, alkalis, chemicals, heat, smoke, vapor, soot, fumes, or waste. Waste includes but is not limited to materials to be recycled, reconditioned, or reclaimed.

P. Radioactive Contamination

ionizing radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel;

Q. Sanction Limitation

payment of a **Claim** or provision of a benefit that would expose the **Fund** to any sanction, prohibition, or restriction under United Nations resolutions or the trade or economic sanctions, laws, or regulations of the European Union, United Kingdom, or United States of America.

SECTION IV – LIMIT OF LIABILITY AND COVERAGE

The Data & Network and Media Aggregate Limit of Liability (Tower 1) listed in the Cyber Liability and Data Breach Response Declarations is the **Fund's** combined total limit of liability for all **Loss** payable under the Data & Network

Liability Coverage Agreement and the Media Liability Coverage Agreement of this **Coverage Document**. Coverage under Tower 1 is a separate aggregate from coverage under Tower 2 and Tower 3.

The Aggregate Limit of Liability and Coverage (Tower 2) listed in the Cyber Liability and Data Breach Response Declarations is the **Fund's** combined total limit of liability and coverage for all **Loss** payable under the First Party Loss coverages, the Regulatory Defense and Penalties Coverage Agreement, the Payment Card Liabilities & Costs Coverage Agreement, and the eCrime coverages of this **Coverage Document**. Coverage under Tower 2 is a separate aggregate from coverage under Tower 1 and Tower 3.

The Breach Response Limit of Coverage (Tower 3) listed in the Cyber Liability and Data Breach Response Declaration is the **Fund's** combined total limit of coverage for legal, forensic, public relations and crisis management, notification, call center, and credit or identity monitoring services payable for all **Loss** payable under Tower 3 of this **Coverage Document**. Coverage under Tower 3 is a separate aggregate from coverage under Tower 1 and Tower 2.

The limit of liability or coverage payable under each Coverage Agreement will be an amount equal to the applicable aggregate sublimit or limit listed in the Cyber Liability and Data Breach Response Declarations. Such amount is the aggregate amount payable under this **Coverage Document** pursuant to such Coverage Agreement and is part of, and not separate from, the applicable Aggregate Limit.

The **Fund** will not be obligated to pay any **Damages, Penalties, PCI Fines, Expenses and Costs, or Claims Expenses**, or to defend any **Claim**, after the respective Tower 1 Limit of Liability and/or Tower 2 Limit of Liability, have been exhausted, or after deposit of the Tower 1 Limit of Liability or Tower 2 Limit of Liability, whichever is applicable, in a court of competent jurisdiction.

SECTION V – RETENTIONS

The retention listed in the Cyber Liability and Data Breach Response Declarations applies separately to each incident, event, or related incidents or events giving rise to a **Claim** or **Loss**. The retention will be satisfied by monetary payments by the **Member** of covered **Loss** under each coverage agreement. If any **Loss** arising out of an incident or **Claim** is subject to more than one retention, the retention for each applicable coverage agreement will apply to such **Loss**, provided that the sum of such retention amounts will not exceed the largest applicable retention amount.

Coverage for **Business Interruption Loss** will apply after the **Waiting Period** has elapsed and the **Fund** will then indemnify the **Member** for all **Business Interruption Loss** sustained during the **Period of Restoration** in excess of the retention.

Satisfaction of the applicable retention is a condition precedent to the payment of any **Loss** under this **Coverage Document**, and the **Fund** will be liable only for the amounts in excess of such retention.

SECTION VI – OPTIONAL EXTENSION PERIOD

Upon non-renewal or cancellation of this **Coverage Document** for any reason except the non-payment of contribution, the **Member** will have the right to purchase, for an amount equal to 100% of the expiring annual contribution, an Optional Extension Period of twelve (12) months. Coverage provided by such Optional Extension Period will only apply to **Claims** first made against any **Covered Party** during the Optional Extension Period and reported to the **Fund** during the Optional Extension Period, and arising out of any act, error, or omission committed before the end of the **Coverage Period**. In order for the **Member** to invoke the Optional Extension Period option, the payment of the additional contribution for the Optional Extension Period must be paid to the **Fund** within 60 days of the termination of this **Coverage Document**.

The purchase of the Optional Extension Period will in no way increase the **Aggregate Limit of Liability** or any sublimit of liability. At the commencement of the Optional Extension Period the entire contribution will be deemed earned, and in the event the **Member** terminates the Optional Extension Period for any reason prior to its natural expiration, the **Fund** will not be liable to return any contribution paid for the Optional Extension Period.

SECTION VII – GENERAL CONDITIONS

A. Notice of Claim or Loss

The **Covered Party** must notify the **Fund** of any **Claim** as soon as practicable, but in no event later than: (i) 60 days after the end of the **Coverage Period**; or (ii) the end of the Optional Extension Period (if applicable).

With respect to **Breach Response Services**, the **Covered Party** must notify the **Fund** of any actual or reasonably suspected **Data Breach** or **Security Breach** as soon as practicable after discovery by the **Covered Party**, but in no event later than 60 days after the end of the **Coverage Period**. Notice of an actual or reasonably suspected **Data Breach** or **Security Breach** in conformance with this paragraph will also constitute notice of a circumstance that could reasonably be the basis for a **Claim**.

With respect to **Cyber Extortion Loss**, the **Member** must notify the **Fund** as soon as practicable after discovery of an **Extortion Threat** but no later than 60 days after the end of the **Coverage Period**. The **Member** must obtain the **Fund's** consent prior to incurring **Cyber Extortion Loss**.

With respect to **Data Recovery Costs**, **Business Interruption Loss**, and **Reputational Loss**, the **Member** must notify the **Fund** as soon as practicable after discovery of the circumstance, incident, or event giving rise to such loss. The **Member** will provide the **Fund** proof of **Data Recovery Costs**, **Business Interruption Loss**, and **Reputational Loss**. All loss described in this paragraph must be reported, and all proofs of loss must be provided, to the **Fund** no later than 6 months after the end of the **Coverage Period**.

The **Member** must notify the **Fund** of any loss covered under the eCrime coverage agreement as soon as practicable, but in no event later than 60 days after the end of the **Coverage Period**.

Any **Claim** arising out of a **Loss** that is covered under the Breach Response, First Party Loss, or eCrime coverage agreements and that is reported to the **Fund** in conformance with the foregoing will be considered to have been made during the **Coverage Period**.

B. Notice of Circumstance

With respect to any circumstance that could reasonably be the basis for a **Claim** (other than a **Data Breach** or **Security Breach** noticed under the Breach Response coverage agreement) a **Covered Party** may give written notice of such circumstance to the **Fund** as soon as practicable during the **Coverage Period**. Such notice must include:

1. the specific details of the act, error, omission, or event that could reasonably be the basis for a **Claim**;
2. the injury or damage which may result or has resulted from the circumstance; and
3. the facts by which the **Covered Party** first became aware of the act, error, omission, or event.

Any subsequent **Claim** made against a **Covered Party** arising out of any circumstance reported to the **Fund** in conformance with the foregoing will be considered to have been made at the time written notice complying with the above requirements was first given to the **Fund** during the **Coverage Period**.

C. Defense of Claims

Except with respect to coverage under the Payment Card Liabilities & Costs coverage agreement, the **Fund** has the right and duty to defend any covered **Claim** or **Regulatory Proceeding**. Defense counsel will be mutually agreed upon by the **Member** and the **Fund** but, in the absence of such agreement, the **Fund's** decision will be final.

With respect to the Payment Card Liabilities & Costs coverage agreement, coverage will be provided on an indemnity basis and legal counsel will be mutually agreed upon by the **Member** and the **Fund** and will be selected from one of the firms on the **Fund's** panel.

D. Settlement of Claims

If a **Covered Party** refuses to consent to any settlement recommended by the **Fund** and acceptable to the claimant, the **Fund's** liability for such **Claim** will not exceed:

1. the amount for which the **Claim** could have been settled, less the remaining retention, plus the **Claims Expenses** incurred up to the time of such refusal; plus
2. sixty percent (60%) of any **Claims Expenses** incurred after the date such settlement or compromise was recommended to the **Covered Party** plus sixty percent (60%) of any **Damages, Penalties, and PCI Fines, Expenses and Costs** above the amount for which the **Claim** could have been settled;

and the **Fund** will have the right to withdraw from the further defense of such **Claim**.

A **Covered Party** may settle any **Claim** where the **Damages, Penalties, PCI Fines, Expenses and Costs** and **Claims Expenses** do not exceed the retention, provided that the entire **Claim** is resolved and the **Covered Party** obtains a full release on behalf of all **Covered Parties** and the **Fund** from all claimants.

E. Assistance and Cooperation

The **Fund** will have the right to make any investigation it deems necessary, and the **Covered Party** will cooperate with the **Fund** in all investigations, including investigations regarding coverage under this **Coverage Document** and the information and materials provided to the **Fund** in connection with the underwriting and issuance of this **Coverage Document**. The **Covered Party** will execute or cause to be executed all papers and render all assistance as is requested by the **Fund**. The **Covered Party** agrees not to take any action which in any way increases the **Fund's** exposure under this **Coverage Document**. Expenses incurred by a **Covered Party** in assisting and cooperating with the **Fund** do not constitute **Claims Expenses** under the **Coverage Document**.

A **Covered Party** will not admit liability, make any payment, assume any obligations, incur any expense, enter any settlement, stipulate to any judgment or award, or dispose of any **Claim** without the **Fund's** written consent, except as specifically provided in the Settlement of Claims clause above. Compliance with a **Breach Notice Law** will not be considered an admission of liability.

F. Subrogation

If any payment is made under this **Coverage Document** and there is available to the **Fund** any of the **Covered Party's** rights of recovery against any other party, then the **Fund** will maintain all such rights of recovery. A **Covered Party** will do whatever is reasonably necessary to secure such rights and will not do anything after an incident or event giving rise to a **Claim** or **Loss** to prejudice such rights. If the **Covered Party** has waived its right to subrogate against a third party through written agreement made before an incident or event giving rise to a **Claim** or **Loss** has occurred, then the **Fund** waives its rights to subrogation against such third party. Any recoveries will be applied first to subrogation expenses, second to **Loss** paid by the **Fund**, and lastly to the retention. Any additional amounts recovered will be paid to the **Member**.

G. Other Insurance

The coverage under this **Coverage Document** will apply as primary over any other valid and collectible insurance available to any **Covered Party** with respect to the Breach Response and First Party Loss coverages in this **Coverage Document**, including any self-insured retention or deductible portion thereof unless such other insurance is written only as primary insurance over the Limit(s) of Liability and coverage of this **Coverage Document**. With respect to the Liability and eCrime coverages in this **Coverage Document**, the coverage under this **Coverage Document** will be excess over, and will not contribute with, any other valid and collectible insurance available to any **Covered Party**, regardless of whether such other insurance is stated to be primary, excess, or otherwise, unless such other insurance states by specific reference that it is excess over these coverages.

H. Action Against the Fund

No action will lie against the **Fund** or its representatives unless and until, as a condition precedent thereto, the **Covered Party** has fully complied with all provisions, terms, and conditions of this **Coverage Document** and the amount of the **Covered Party's** obligation to pay has been finally determined either by judgment or award against the **Covered Party** after trial, regulatory proceeding, arbitration, or by written agreement of the **Covered Party**, the claimant, and the **Fund**.

No person or organization will have the right under this **Coverage Document** to join the **Fund** as a party to an action or other proceeding against the **Covered Party** to determine the **Covered Party's** liability, nor will the **Fund** be impleaded by the **Covered Party** or the **Covered Party's** legal representative.

The **Covered Party's** bankruptcy or insolvency the **Covered Party's** estate will not relieve the **Fund** of its obligations hereunder.

I. Entire Agreement

By acceptance of the **Coverage Document**, all **Covered Parties** agree that this **Coverage Document** embodies all agreements between the **Fund** and the **Covered Party** relating to this **Coverage Document**. Notice to any agent, or knowledge possessed by any agent or by any other person, will not affect a waiver or a change in any part of this **Coverage Document** or stop the **Fund** from asserting any right under the terms of this **Coverage Document**; nor will the terms of this **Coverage Document** be waived or changed, except by endorsement issued to form a part of this **Coverage Document** signed by the **Fund**.

J. Assignment

The interest hereunder of any **Covered Party** is not assignable. If the **Covered Party** dies or is adjudged incompetent, such coverage will cover the **Covered Party's** legal representative as if such representative were the **Covered Party**, in accordance with the terms and conditions of this **Coverage Document**.

K. Singular Form of a Word

Whenever the singular form of a word is used herein, the same will include the plural when required by context.

L. Headings

The titles of paragraphs, clauses, provisions, or endorsements of or to this **Coverage Document** are intended solely for convenience and reference and are not deemed in any way to limit or expand the provisions to which they relate and are not part of the **Coverage Document**.

M. Representation by the Member

All **Covered Parties** agree that the statements contained in the information and materials provided to the **Fund** in connection with the underwriting and issuance of this **Coverage Document** are true, accurate, and are not misleading, and that the **Fund** issued this **Coverage Document**, and assume the risks hereunder, in reliance upon the truth thereof.

N. Member Contact as Agent

The **Member's Contact**, as designated in the **Agreement**, will be considered the agent of all **Covered Parties** and will act on behalf of all **Covered Parties** with respect to the giving of or receipt of all notices pertaining to this **Coverage Document**, and the acceptance of any endorsements to this **Coverage Document**. The **Member** is responsible for the payment of all contributions and retentions and for receiving any return contributions.

O. Territory

This Insurance applies to **Claims** made, acts committed, or **Loss** occurring anywhere in the world.

P. Antistacking

In the event any incident, event, or related incidents or events, giving rise to a **Claim, Loss**, or an obligation to provide **Breach Response Services** triggers coverage under this **Coverage Document** and any other endorsement issued by the **Fund**, the **Fund's** liability under this **Coverage Document** and such other endorsements combined shall not exceed the amount of the largest **Aggregate Limit of Liability** or applicable sublimits of liability.



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