

COMPUTER SYSTEMS HACKER COVERAGE

This Endorsement Changes The Bond. Please Read it Carefully.

Certain words and phrases that appear in bold have special meaning as defined in the Intact form to which this Endorsement is attached.

The titles of sections or paragraphs listed below should not be considered for purposes of interpreting the intent of this Form; these titles have only been inserted for ease of reading.

In consideration of the payment of the premium, it is hereby understood and agreed that:

1. This **"Bond"** is amended by adding the following Insuring Agreement:

COMPUTER SYSTEMS HACKER COVERAGE

Loss caused by a **"Hacker"** and resulting directly from the malicious destruction of, or damage to, **"Electronic Data"** or **"Computer Programs"** owned by the **"Insured"** or for which the **"Insured"** is legally liable and while stored within any **"Computer System"** operated by the **"Insured"** or any **"Computer System"** identified in the application for this **"Bond"**, or a **"Computer System"** first used by the **"Insured"** during the **"Bond Period"**, subject to the provisions of **General Agreement B** of this **"Bond"**.

The liability of the **"Underwriter"** shall be limited to the cost of duplication of such **"Electronic Data"** or **"Computer Programs"** from other **"Electronic Data"** or **"Computer Programs"** that shall have been furnished by the **"Insured"**.

In the event that destroyed or damaged **"Computer Programs"** cannot be duplicated from other **"Computer Programs"**, the **"Underwriter"** will pay the cost incurred for computer time, computer programmers, consultants or other technical specialists as is reasonably necessary to restore the **"Computer Programs"** to an operational capability substantially the same as existed prior to the **"Hacker"** intrusion.

2. In addition to the conditions and limitations in the **"Bond"**, the following shall apply to this **Insuring Agreement**:

DEFINITIONS

- A) **"Computer Program"** means a set of related electronic instructions which direct the operations and functions of a computer or devices connected to it which enable the computer or devices to receive, process, store or send **"Electronic Data"**;
- B) **"Computer System"** means:
 - 1) computers with related peripheral components including storage components wherever located;
 - 2) systems and applications software;
 - 3) terminal devices;
 - 4) related communications networks;by which **"Electronic Data"** are electronically collected, transmitted, processed, stored and retrieved;
- C) **"Electronic Data"** means facts or information converted to form usable in a **"Computer System"** by **"Computer Programs"**, and which is stored on magnetic tapes or disks or optical storage disks or other bulk media;
- D) **"Hacker"** means a person who circumvents protective devices and procedures to make a clandestine intrusion of a **"Computer System"** and thereby compromises the **"Electronic Data"** and/or **"Computer Programs"** of the **"Computer System"**.

EXCLUSIONS

- A) loss caused by a director or **"Employee"** of the **"Insured"** or by a person in collusion with a director or **"Employee"**;
- B) loss resulting directly or indirectly from entry or change of **"Electronic Data"** or **"Computer Programs"** in a **"Computer System"**;
- C) loss resulting directly or indirectly from the theft of confidential information;
- D) loss resulting directly or indirectly from the assumption of liability by the **"Insured"** by contract unless the liability arises from a loss covered by this rider and would be imposed on the **"Insured"** regardless of the existence of the contract;
- E) loss resulting directly or indirectly from the fraudulent preparation, or fraudulent modification of **"Computer Programs"**;
- F) loss resulting directly or indirectly from:
 - (i) mechanical failure, faulty construction, error in design, latent defect, fire, wear or tear, gradual deterioration, electrical disturbance or electrical surge which affects a **"Computer System"**; or
 - (ii) failure or breakdown of electronic data processing media; or
 - (iii) error or omission in programming or processing;
- G) loss resulting directly or indirectly from the use of a telephone credit, debit, charge, identification or similar card to gain access to the **"Insured's"** Voice Computer System;
- H) loss resulting directly or indirectly from the input of **"Electronic Data"** into a **"Computer System"** terminal device either on the premises of a customer of the **"Insured"** or under the control of such customer by a person who had authorized access to the customer's authentication mechanism.

SERIES OF LOSSES

All loss or series of losses involving the acts of one individual, or involving acts in which one individual is implicated, whether or not that individual is specifically identified, shall be treated as a single loss. A series of losses involving unidentified individuals but arising from the same method of operation shall be deemed to involve the same individual and in that event shall be treated as a single loss.

3. The **"Underwriter's"** total liability for each loss under the foregoing **Computer Systems Hacker Coverage Insuring Agreement**, is limited to the amount stated in the Declaration Page(s) for this Endorsement.
4. The Deductible applicable for each loss is the amount stated in the Declaration Page(s) for this Endorsement.

All other terms and conditions of this Policy shall remain unchanged.