PRIVACY BREACH LEGAL EXPENSE ENDORSEMENT

This Endorsement changes the policy. Please read it carefully.

Certain words and phrases in bold font have special meaning as defined in this Endorsement or in the Privacy Breach Expense Endorsement.

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

This coverage extension supplements insurance provided under the Privacy Breach Expense Endorsement attached to this policy. Notwithstanding Exclusion 10. **Legal Expenses,** contained under the Privacy Breach Expense Endorsement or any other contrary provision, this coverage extension is subject to all terms, conditions, exclusions and limitations provided under said Privacy Breach Expense Endorsement.

INSURING AGREEMENT – PRIVACY BREACH LEGAL EXPENSE COVERAGE

1. Insurance granted by this coverage extension shall apply to **legal fees or defence expense** that is necessarily incurred by the **Named Insured** with the Insurer's prior written consent and that arise directly or indirectly from, and are made necessary by a **civil proceeding** in regard to a **privacy breach** to which coverage as extended by Privacy Breach Expense Endorsement applies. No other fees, costs or expenses are within the scope of this coverage extension.
2. The **privacy breach,** which gives rise to the reimbursement of **legal fees or defence expense,** must take place and must be discovered for the first time while coverage under this extension is in effect.

ADDITIONAL EXCLUSIONS

1. Insurance as provided by this coverage extension does not apply to the payment of indemnification or compensation of any kind.
2. Insurance as provided by this coverage extension does not apply to **legal fees or defence expense:**
   - 2.1. related to a dispute or an action of any kind between the **Named Insured** and the Insurer;
   - 2.2. related to any criminal or penal proceeding or to an intentional or criminal act of the **Named Insured** or any employee, volunteer or authorized representative of the **Named Insured;**
   - 2.3. in regard to the **Named Insured** as a plaintiff;
   - 2.4. in regard to the review or appeal of any decision;
   - 2.5. in regard to any regulatory or disciplinary action related to the **Named Insured's** profession.

LIMITS OF INSURANCE AND DEDUCTIBLE

1. The Limit of Insurance for this coverage extension:
   - 1.1. is specified in the Declaration Page(s); and
   - 1.2. is an aggregate limit and is the most the Insurer will pay in a policy period regardless of the number of occurrences or claims, the number of **privacy breaches,** the number or types of fees or expenses or the number of **Named Insureds.**
2. The Insurer is liable for the amount by which the claim exceeds the sum (if any) stated, as the deductible, in the Declaration Page(s).

ADDITIONAL CONDITIONS

1. If a Condition is found to be invalid, unenforceable or contrary to statute, the remainder shall remain in full force and effect.
2. The **Named Insured** or its legal representative must take all reasonable steps to recover all costs and expenses on the Insurer's behalf and to preserve and to not prejudice the Insurer's rights to recover costs or expenses.
3. This coverage extension shall be interpreted and construed in accordance with the laws of the Canadian Province or Territory in which the policy was issued.
4. This coverage is excess over any other insurance, whether primary, excess, contingent or on any other basis.
5. This coverage extension shall apply exclusively to **civil proceedings** or claims arising in Canada.
6. The Insurer, at its sole discretion, may reimburse the **legal fees or defence expense** either directly to the **Named Insured** or pay the **legal fees or defence expense** invoice to another entity on the **Named Insured's** behalf.

ADDITIONAL DEFINITIONS

1. Civil proceeding means a non-statutory civil action or a claim in which a third party is seeking damages arising from a **privacy breach** and includes:

- 1.1. an arbitration proceeding; or
- 1.2. any other alternative dispute resolution proceeding;

In which such damages are claimed and to which the **Named Insured** must submit or does submit with the Insurer's consent.

2. **Legal fees or defence expense** means the reasonable and necessary expenses (other than **remediation expenses**) that the Insurer shall pay with respect only to the **Named Insured** for:

   2.1. fees of the **Named Insured's** attorney;

   2.2. experts' fees;

   2.3. judicial costs including but not limited to judicial stamps and fees for bailiffs, stenography and translation;

   2.4. loss of salary for an employee of the **Named Insured,** up to a maximum of $500 per day, and due directly to attendance at a **civil proceeding** when such attendance is at the Insurer's request or is in response to a formal summons;

   2.5. other necessary costs that are incurred by the **Named Insured** at the Insurer's request or with the Insurer's prior consent, including court costs of a plaintiff that are ordered payable by the **Named Insured** following a **civil proceeding** to which this coverage extension applies.

All other terms and conditions of this policy to which this Endorsement applies remain unchanged.