

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA  
CASE NO.: 0:17-cv-61267  
FORT LAUDERDALE DIVISION**

AIG SPECIALTY INSURANCE COMPANY,  
an Illinois corporation, and LIBERTY MUTUAL  
INSURANCE COMPANY, a Massachusetts  
Corporation,

Plaintiffs,

v.

LABORATORY CORPORATION OF  
AMERICA HOLDINGS, a Delaware  
corporation,

Defendant.

\_\_\_\_\_ /

**COMPLAINT**

Plaintiffs AIG Specialty Insurance Company (“AIG Specialty”), and Liberty Mutual Insurance Company (“Liberty Mutual”) sue Defendant Laboratory Corporation of America Holdings (“LabCorp”), and allege:

**NATURE OF THE ACTION, JURISDICTION AND VENUE**

1. Pursuant to 28 U.S.C. § 2201, this is an action to declare the rights and other legal relations of the parties in relation to the insurance policies that AIG Specialty and Liberty Mutual respectively issued to LabCorp.

2. Christopher W. Legg, as class representative, sued LabCorp, in this District, on behalf of himself and a class of those similarly situated for violations of the Fair and Accurate Credit Transactions Act (“FACTA”) amendment to the Fair Credit Reporting Act, 15 U.S.C. § 1681 *et seq.*, as amended (the “Class Action”).

3. LabCorp settled the Class Action by agreeing to pay the sum of \$11,000,000 without the consent or knowledge of AIG Specialty or Liberty Mutual (the “Settlement Agreement”).

4. Indeed, LabCorp never advised AIG Specialty or Liberty Mutual about the ongoing settlement negotiations, and it ignored AIG Specialty’s repeated requests for information regarding the Class Action.

5. After preliminary approval of the Settlement Agreement, LabCorp demanded that AIG Specialty pay its entire \$10 million policy limits and that Liberty Mutual pay the remainder of the settlement amount and attorneys’ fees and costs totaling \$2,316,182.

6. By failing to abide by its obligations, LabCorp breached the policies and is thus not entitled to coverage for the Settlement Agreement.

7. There is a present, actual controversy relating to whether LabCorp is entitled to coverage under the AIG Specialty and Liberty Mutual policies.

8. This Court has jurisdiction pursuant to 28 U.S.C. § 1332 because the parties between whom there is controversy are completely diverse and the amount in controversy exceeds \$75,000.00, exclusive of interest and costs.

9. Venue is proper in this judicial district because the acts giving rise to this action occurred in this District, and the controversy relates to LabCorp’s contention that the AIG Specialty and Liberty Mutual policies provide liability insurance coverage for the Class Action that was filed and settled in the United States District Court for the Southern District of Florida.

10. All conditions precedent to filing this action have been satisfied or waived.

#### **THE PARTIES**

11. AIG Specialty is an insurance company incorporated in the State of Illinois with its principal place of business in New York, New York. AIG Specialty is thus a citizen of Illinois and New York.

12. Liberty Mutual is a corporation organized and existing under the laws of the State of Massachusetts, with its principal place of business in Suffolk County, Massachusetts. Liberty Mutual is thus a citizen of Massachusetts.

13. LabCorp is a Delaware corporation with its principal place of business in Burlington, North Carolina. LabCorp is thus a citizen of Delaware and North Carolina.

#### **THE POLICIES**

14. AIG Specialty issued a Specialty Risk Protector® Policy to LabCorp for the Policy Period of November 1, 2013 to November 1, 2014 (the “AIG Specialty Policy”). The Policy’s limit of liability is \$10,000,000. A copy of the AIG Specialty Policy is attached as **Exhibit A**.

15. Key provisions of the AIG Specialty Policy include the following:

#### **INSURED’S OBLIGATIONS**

In connection with all **Claims** and **First Party Events** under this policy, each **Insured** agrees to the following:

\* \* \*

(c) such **Insured** shall cooperate with and help the **Insurer** and/or any counsel appointed pursuant to the terms of this policy, including, without limitations, as follows:

\* \* \*

(2) in making settlements;

\* \* \*

(d) unless required to do so by law, **Insureds** shall not, without the **Insurer’s** prior written consent:

(1) assume any financial obligation or incur any cost unless specifically allowed to settle any **Claim** on behalf of all **Insureds** within the retention pursuant to a **Coverage Section**.

- (2) take any action, or fail to take any required action which prejudices the **Insurer's** rights under this policy.

## EXCLUSIONS

This policy shall not cover **Loss** in connection with a **Claim** made against an **Insured**:

- (j) for any of the following:

\* \* \*

- (5) civil or criminal fines or penalties imposed by law against an **Insured** and any matters deemed uninsurable under the law pursuant to which this policy shall be construed, provided, however, this sub- paragraph (5) shall not apply to any:

\* \* \*

- (b) **Fines and Penalties.**

\* \* \*

4. For the purposes of this endorsement, the term "**Fines and Penalties**" means civil fines or penalties imposed by a governmental agency and arising from a **Regulatory Action**, unless the civil fine or penalty is uninsurable under the law of the jurisdiction imposing such a fine or penalty.<sup>1</sup>

16. Liberty Mutual issued an excess follow form policy, number EQ4NAAWTO6001, to LabCorp for the November 1, 2013 to November 1, 2014 policy period, with a \$10,000,000 liability limit excess over the AIG Specialty Policy ("Liberty Mutual Policy"). A copy of the Liberty Mutual Policy is attached as **Exhibit B**.

17. In addition to the relevant provisions of the AIG Specialty Policy, to which the Liberty Mutual Policy follows form, key provisions of the Liberty Mutual Policy include the following:

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<sup>1</sup> See Endorsement No. 6.

1. **Incorporation of Primary Policy**

This Policy incorporates by reference the insuring clauses, warranties, definitions, terms, conditions, exclusions and other provisions contained in the Primary Policy and as described in the materials submitted to the Insurer in connection with the application for this Policy except as regards the premium, the limit of liability, the policy period, and except as otherwise provided herein. Any changes to the Primary Policy shall not be binding on the Insurer unless specifically endorsed hereon.

**6. Defense and Settlement:**

The insureds shall not admit liability for, offer to settle or settle any claim or incur costs of defense, where the liability, settlement and/or costs of defense are reasonably likely to involve the limit of liability of this Policy, without the **Insurer's** prior written consent, which consent shall not be unreasonably withheld.

\* \* \*

**THE CLAIM**

18. On July 6, 2014, Christopher W. Legg, on behalf of himself and other similarly situated individuals, filed the Class Action against LabCorp in this District, where it was assigned Case No.: 0:14-cv-61543 and to the docket of the Hon. Robin L. Rosenberg, as a Fort Lauderdale division case.

19. Specifically, the Class alleged that LabCorp violated §1681c(g) of FACTA, which prohibits, among other things, the printing of receipts displaying more than the last 5 digits of a consumer's credit card number.

20. The Class did not allege that its members suffered any actual damages. Instead, the Class sought statutory damages under 15 U.S.C. §1681n based on LabCorp's allegedly willful violations of FACTA. A copy of the Complaint in the Class Action is attached as **Exhibit C**.

**THE SETTLEMENT OF THE CLAIM**

21. LabCorp reported the Class Action to AIG Specialty and Liberty Mutual under the AIG Specialty and Liberty Mutual Policies.

22. On November 17, 2014, AIG Specialty (through its authorized representative, AIG Claims, Inc.) issued its coverage position to LabCorp.

23. AIG Specialty reserved all rights under the Policy, and made specific reference to Exclusion (j) (as amended by Endorsement No. 6) excluding coverage for certain civil fines or penalties. *See* November 17, 2014 letter, attached as **Exhibit D**.

24. On August 12, 2014, Liberty Mutual acknowledged notice of the suit and advised LabCorp that its excess policy follows form to the AIG Specialty Policy and reserved its rights under the Liberty Mutual Policy. *See* August 12, 2014 letter, attached as **Exhibit E**.

25. Without waiving any of their rights under the Policies, AIG Specialty and Liberty Mutual accepted coverage for the Class Action subject to a reservation of rights.

26. AIG Specialty and Liberty Mutual did not receive any response from LabCorp.

27. LabCorp did not communicate with AIG Specialty or Liberty Mutual whatsoever until the Class Action was settled.

28. On January 12, 2015, AIG Specialty's claim handler sent an e-mail to LabCorp and LabCorp's broker, Willis. The e-mail requested a status update on the Class Action and asked LabCorp and its broker to "please advise defense counsel assigned to this matter, including any budgets, rates." In addition, the claim handler asked whether "defense counsel prepared any liability or damages evaluations on this matter." *See* January 12, 2015 Email, attached hereto as **Exhibit F**.

29. Neither LabCorp nor its broker ever responded to the January 12, 2015 E-Mail.

30. On or about March 11, 2015, LabCorp had an initial mediation of the Class Action.

31. LabCorp did not notify AIG Specialty or Liberty Mutual of the mediation.

32. By email dated March 12, 2015, AIG Specialty's claim handler once again requested a status update from LabCorp and its broker, wherein he requested "info on defense

counsel handling the matter, status of the litigation, any demands, amounts incurred, etc.” *See* March 12, 2015 E-Mail, attached hereto as **Exhibit G**.

33. LabCorp never responded to the March 12, 2015 E-Mail.

34. On June 5, 2015, AIG Specialty contacted LabCorp’s broker by telephone to reiterate its request for information.

35. None of the requested information was provided at that time.

36. On July 13, 2015, LabCorp participated in a second full-day mediation of the Class Action.

37. LabCorp did not notify AIG Specialty or Liberty Mutual of the mediation.

38. Following this mediation, and unknown to AIG Specialty or Liberty Mutual, LabCorp agreed to pay \$11,000,000 to settle the Class Action.

39. After months negotiating terms (without any notice to AIG Specialty or Liberty Mutual), LabCorp signed the settlement agreement on October 25, 2015 (the “Settlement Agreement”).

40. On October 26, 2015, the plaintiff in the Class Action moved for preliminary approval of the Settlement Agreement.

41. AIG Specialty and Liberty Mutual still had not been advised of any settlement, nor had LabCorp responded to AIG Specialty’s multiple requests for information.

42. On November 6, 2015, Judge Rosenberg granted preliminary approval of the Settlement Agreement.

43. On or about November 6, 2015, after preliminary approval had been granted, LabCorp’s broker became aware that the Class Action had been settled.

44. On November 6, 2015, LabCorp's broker contacted AIG Specialty and Liberty Mutual to request reimbursement for the Settlement Agreement and LabCorp's associated Defense Costs. *See Exhibit H.*

45. Later on November 6, 2015, AIG Specialty responded by e-mail reserving its rights regarding coverage, and specifically raised LabCorp's breach of Clause 7 of the General Terms and Conditions of the Policy, "Insured's Obligations." *See Exhibit I.*

46. LabCorp has forfeited coverage under the Policies due to its failure to comply with Clause 7 of the AIG Specialty Policy and paragraph 6, the Defense and Settlement provision of the Liberty Mutual Policy; namely, its complete failure to obtain (or even seek) AIG Specialty's and Liberty Mutual's prior written consents before entering into the Settlement Agreement.

47. Moreover, the Class Action did not allege any actual damages and only sought statutory amounts pursuant to LabCorp's allegedly "willful" violations of FACTA.

48. This constitutes a Claim for civil penalties and is thus excluded from coverage under Exclusion (j)(5) of the Specialty and Privacy Liability Insurance section of the Policy.

49. To the extent that LabCorp violated any of the relevant provisions of the AIG Specialty Policy, it also breached the Liberty Mutual Policy, which follows form to the AIG Specialty Policy, except as otherwise provided by the Liberty Mutual Policy. LabCorp's offer to settle and settlement without Liberty Mutual's consent also violated the separate and independent terms of the Liberty Mutual Policy, including paragraph 6., Defense and Settlement, which provides that "The insureds shall not admit liability for, offer to settle or settle any claim or incur costs of defense, where the liability, settlement and/or costs of defense are reasonably likely to involve the limit of liability of this Policy, without the Insurer's prior written consent, which consent shall not be unreasonably withheld."



50. On June 10, 2016, Liberty Mutual disclaimed coverage to LabCorp because (1) LabCorp breached Liberty Mutual's Defense and Settlement provision and (2) under exclusion j(5) of the AIG Specialty Policy which barred coverage for civil or criminal fines or penalties. See **Exhibit J**.

51. Accordingly, there is a *bona fide* real and actual controversy between AIG Specialty, Liberty Mutual and LabCorp pertaining the coverage for the Class Action under the AIG Specialty and Liberty Mutual Policies.

Wherefore, AIG Specialty and Liberty Mutual seek entry of a judgment declaring that the AIG Specialty and Liberty Mutual Policies do not provide coverage for the Class Action.

Dated: June 28, 2017

s/ Steven J. Brodie

Steven J. Brodie (FL Bar # 333069)  
Email: sbrodie@carltonfields.com  
Aaron S. Weiss (FL Bar #48813)  
Email: aweiss@carltonfields.com  
Daniel G. Enriquez (Fla. Bar No. 85864)  
Email: denriquez@carltonfields.com  
Carlton Fields Jordan Burt, P.A.  
100 Southeast Second Street, Suite 4200  
Miami, Florida 33131  
Tele: 305.530.0050 / Fax: 305.530.0055

*Attorneys for Plaintiff*  
*AIG Specialty Insurance Company*

s/ Robert Scott Newman

Robert Scott Newman (FL Bar # 466670)  
Email: snewman@marlowadler.com  
Jennifer Anderson Hoffman (FL. Bar # 44069)  
Email: jhoffman@marlowadler.com  
Marlow, Adler, Abrams, Newman & Lewis  
4000 Ponce de Leon Boulevard, Suite 570  
Coral Gables, Florida 33146  
Tele: 305.446.0500 / Fax: 305.446.3667

*Attorneys for Plaintiff*  
*Liberty Mutual Insurance Company*



**AIG Specialty Insurance Company**  
A capital stock company

**NOTICE: THIS INSURER IS NOT LICENSED IN THE STATE OF NEW YORK AND IS NOT SUBJECT TO ITS SUPERVISION.**

## Specialty Risk Protector®

POLICY NUMBER: 01-582-26-31

REPLACEMENT OF POLICY NUMBER: N/A

### DECLARATIONS

#### NOTICES

THIS POLICY CONTAINS ONE OR MORE COVERAGE SECTIONS. CERTAIN COVERAGE SECTIONS ARE LIMITED TO LIABILITY FOR CLAIMS THAT ARE FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD AND REPORTED IN WRITING TO THE INSURER AS REQUIRED BY THE TERMS OF THE POLICY. DEFENSE COSTS SHALL REDUCE THE APPLICABLE LIMITS OF LIABILITY AND SUBLIMITS OF LIABILITY AND ARE SUBJECT TO APPLICABLE RETENTIONS.

PLEASE READ THIS POLICY CAREFULLY AND REVIEW IT WITH YOUR INSURANCE AGENT OR BROKER.

#### ITEMS

1	NAMED ENTITY	Named Entity	LABORATORY CORPORATION OF AMERICA HOLDINGS		
		Mailing Address	531 S SPRING STREET, BURLINGTON, NC 27215-5837		
2	POLICY PERIOD	Inception Date	November 1, 2013	Expiration Date	November 1, 2014
		12:01 A.M. at the address stated in Item 1			
3	PREMIUM	\$178,000			
4	NAME AND ADDRESS OF INSURER				
AIG Specialty Insurance Company 175 Water Street New York, NY 10038-4969					
This Policy is issued only by the insurance company indicated in this Item 4.					
5	LIMIT OF LIABILITY	\$10,000,000			
6	COVERAGE SUMMARY				
	COVERAGE SECTION	SUBLIMIT OF LIABILITY	RETENTION	RETROACTIVE DATE	CONTINUITY DATE
	MC Media Content Insurance	\$10,000,000	\$500,000	November 1, 2011	November 1, 2013

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S&P	Security and Privacy Liability Insurance	\$10,000,000	\$500,000	For Security Failures:	For Security Failures:
	Regulatory Action Sublimit of Liability	\$10,000,000		November 1, 2011	November 1, 2013
				For Privacy Events:	For Privacy Events:
				November 1, 2011	November 1, 2013
NI	Network Interruption Insurance	\$10,000,000	\$500,000	Not Applicable	November 1, 2013
	Waiting Hours Period	12 hours			
EM	Event Management Insurance	Refer to Event Management/ Electronic Data Sub Limits Endorsement	\$500,000	Not Applicable	November 1, 2013
	Coinsurance	0 %			
CE	Cyber Extortion Insurance	\$10,000,000	\$500,000	Not Applicable	November 1, 2013
CF	Crisis Fund Insurance	\$100,000	\$0	Not Applicable	November 1, 2013

PRODUCER: WILLIS OF MASSACHUSETTS, INC.  
 ADDRESS: THREE COPLEY PLACE  
 SUITE 300  
 BOSTON, MA 02116-6501

IN WITNESS WHEREOF, the Insurer has caused this Policy to be signed by its President, Secretary and Authorized Representative. This Policy shall not be valid unless signed below at the time of issuance by an authorized representative of the insurer.



PRESIDENT



SECRETARY



AUTHORIZED REPRESENTATIVE

COUNTERSIGNATURE

DATE

COUNTERSIGNED AT

The insurance company with which this coverage has been placed is not licensed by the State of North Carolina and is not subject to its supervision. In the event of the insolvency of the insurance company, losses under this policy will not be paid by any State insurance guaranty or solvency fund  
 WILLIS OF VIRGINIA INC  
 150 W MAIN ST, STE 1840  
 18TH FL  
 NORFOLK, VA - 235104222  
 541200815

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**AIG Specialty Insurance Company**

A capital stock company

**SPECIALTY RISK PROTECTOR<sup>®</sup>**

**GENERAL TERMS AND CONDITIONS  
("GENERAL TERMS AND CONDITIONS")**

In consideration of the payment of the premium, and in reliance upon the statements made to the **Insurer** by **Application**, the **Insurer** agrees as follows:

**1. TERMS AND CONDITIONS**

These **General Terms and Conditions** shall be applicable to all **Coverage Sections**. Terms appearing in bold in these **General Terms and Conditions** and not defined in Clause 2. **DEFINITIONS** of these **General Terms and Conditions** shall have the meaning provided for such terms in any applicable **Coverage Section** for purposes of coverage provided under such **Coverage Section**. The terms and conditions set forth in each **Coverage Section** shall only apply to that particular **Coverage Section** and shall in no way be construed to apply to any other **Coverage Section** of this policy.

**2. DEFINITIONS**

(a) "**Application**" means each and every signed application, any attachments to such applications, other materials submitted therewith or incorporated therein and any other statements, information, representations of any **Insured** or documents submitted by any **Insured** in connection with the underwriting of this policy or the underwriting of any other policy providing the same or similar coverage issued by the **Insurer**, or any of its affiliates, of which this policy is in whole or part a renewal or replacement or which it succeeds in time.

With respect to publicly held companies, **Application** shall also include each and every public filing by or on behalf of any **Insured** made with the SEC including, but not limited to, any **Company's** Annual Report(s), 10-Ks, 10-Qs, 8-Ks and proxy statements, any financial information in such filings, and any certifications relating to the accuracy of the foregoing, provided that such public filing was filed during the period of time:

- (i) beginning at the start of the twelve (12) month period immediately preceding the first submission to the **Insurer** in connection with the underwriting of this policy; and
- (ii) ending at the inception of the **policy period**.

(b) "**Claims-Made and Reported Coverage Section**" means any **Coverage Section** designated as such.

(c) "**Company**" means the **Named Entity** and any **Subsidiary** thereof.

(d) "**Continuity Date**" means the date set forth in Item 6 of the Declarations with respect to each **Coverage Section**.

(e) "**Coverage Section**" means each **Coverage Section** that is purchased by the **Named Entity** as indicated in Item 6 of the Declarations.

(f) "**Discovery Coverage Section**" means any **Coverage Section** designated as such.

(g) "**Discovery Period**" means any **Automatic Discovery Period** or **Optional Discovery Period**, as such terms are defined in Clause 9. of these **General Terms and Conditions**.

(h) "**Domestic Partner**" means any natural person legally recognized as a domestic or civil union partner under: (i) the provisions of any applicable federal, state or local law; or (ii)

the provisions of any formal program established by a **Company**.

- (i) **"First Party Coverage Section"** means any **Coverage Section** designated as such.
- (j) **"First Party Event"** means the event(s) or circumstance(s) contained in the definition of **First Party Event** in a **First Party Coverage Section**.
- (k) **"Insurer"** means the insurance company indicated in the Declarations.
- (l) **"Limit of Liability"** means the amount stated in Item 5 of the Declarations.
- (m) **"Management Control"** means: (i) owning interests representing more than fifty percent (50%) of the voting, appointment or designation power for the selection of a majority of: the board of directors of a corporation, the management committee members of a joint venture or partnership, or the members of the management board of a limited liability company; or (ii) having the right, pursuant to written contract or the by-laws, charter, operating agreement or similar documents of a **Company**, to elect, appoint or designate a majority of: the board of directors of a corporation, the management committee of a joint venture or partnership, or the management board of a limited liability company.
- (n) **"Named Entity"** means the entity listed in Item 1 of the Declarations.
- (o) **"Occurrence Coverage Section"** means any **Coverage Section** designated as such.
- (p) **"Policy Period"** means the period of time from the inception date stated in Item 2 of the Declarations to the earlier of the expiration date stated in Item 2 of the Declarations or the effective date of cancellation of this policy.
- (q) **"Related Acts"** means **First Party Events** and **Third Party Events** which are the same, related or continuous, or **First Party Events** and **Third Party Events** which arise from a common nucleus of facts or legal causes of action. All **Related Acts** shall be considered to have occurred at the time the first such **Related Act** occurred.
- (r) **"Retroactive Date"** means the date set forth in Item 6 of the Declarations as such for each **Coverage Section**.
- (s) **"Sublimit of Liability"** means the applicable amount, if any, stated in Item 6 of the Declarations as such for each **Coverage Section**.
- (t) **"Subsidiary"** means:
  - (1) any for-profit entity of which the **Named Entity** has or had **Management Control** ("**Controlled Entity**") on or before the inception date of the **Policy Period**, either directly or indirectly through one or more other **Controlled Entities**;
  - (2) any for-profit entity of which the **Named Entity** acquires **Management Control** during the **Policy Period**, either directly or indirectly, whose gross revenues for the most recent fiscal year prior to the inception of this policy do not exceed ten percent (10%) of the aggregate gross revenues of the **Companies** for the most recent fiscal year prior to the inception date of this policy;
  - (3) any for-profit entity of which the **Named Entity** acquires **Management Control** during the **Policy Period**, either directly or indirectly, whose gross revenues for the most recent fiscal year prior to the inception of this policy exceed ten percent (10%) of the aggregate gross revenues of the **Companies** for the most recent fiscal year prior to the inception date of this policy, but only once (a) the **Named Entity** shall have provided the **Insurer** with full particulars of such entity and agreed to any additional premium and amendments to this policy relating to such entity; and (b) the **Insurer** has ratified its acceptance of such entity as a **Subsidiary** by endorsement to this policy; and
  - (4) any not-for-profit entity under section 501(c)(3) of the Internal Revenue Code of 1986 (as amended) sponsored exclusively by a **Company**.

Notwithstanding the foregoing, coverage afforded under this policy shall only apply to **Loss** arising out of **First Party Events** and **Third Party Events** occurring or allegedly occurring after the effective time that the **Named Entity** obtained **Management Control** of such **Subsidiary** and prior to the time that such **Named Entity** ceased to have **Management Control** of such **Subsidiary**.

(u) "**Third Party Event**" means the event(s) or circumstance(s) contained in the definition of **Third Party Event** in a **Third Party Coverage Section**.

(v) "**Third Party Coverage Section**" means any **Coverage Section** designated as such.

### 3. EXTENSIONS

Subject otherwise to the terms hereof, this policy shall cover **Loss** arising from any **Claim** made against (i) the estates, heirs, or legal representatives of deceased natural person **Insureds**, and the legal representatives of natural person **Insureds** in the event of incompetency, insolvency or bankruptcy, who were **Insureds** at the time the **Third Party Events** upon which such **Claims** are based occurred; or (ii) the lawful spouse (whether such status is derived by reason of statutory law, common law or otherwise of any applicable jurisdiction in the world) or **Domestic Partner** of a natural person **Insured** for all **Claims** arising solely out of his or her status as the spouse or **Domestic Partner** of a natural person **Insured**, including a **Claim** that seeks damages recoverable from marital community property, property jointly held by the natural person **Insured** and the spouse or **Domestic Partner**, or property transferred from the natural person **Insured** to the spouse or **Domestic Partner**; provided, however, that this extension shall not afford coverage for any **Claim** for any actual or alleged **Third Party Event** committed by or directly involving the spouse or **Domestic Partner**, but shall apply only to **Claims** arising out of any actual or alleged **Third Party Event** committed by or directly involving a natural person **Insured**, subject to the policy's terms, conditions and exclusions.

### 4. LIMIT OF LIABILITY

The **Limit of Liability** is the **Insurer's** maximum liability for all **Loss** under all **Coverage Sections** combined and the **Insurer** shall not be responsible to pay any **Loss** upon exhaustion of the **Limit of Liability**.

If a **Sublimit of Liability** is stated in Item 6 of the Declarations with respect to a **Coverage Section**, then such **Sublimit of Liability** shall be the **Insurer's** maximum liability for all **Loss** with respect to such **Coverage Section** and the **Insurer** shall not be responsible to pay any **Loss** under such **Coverage Section** upon exhaustion of such **Sublimit of Liability**. Each **Sublimit of Liability** shall be part of and not in addition to the **Limit of Liability** and shall in no way serve to increase the **Limit of Liability**.

The **Limit of Liability** and any applicable **Sublimits of Liability** for any **Discovery Period** shall be part of, and not in addition to, the **Limit of Liability** and such **Sublimits of Liability** for the **Policy Period**.

Solely with respect to any **Claims-Made and Reported Coverage Sections**, a **Claim** which is made subsequent to the **Policy Period** or **Discovery Period** pursuant to Clauses 6(b) and 6(c) respectively, which is considered made during the **Policy Period** or **Discovery Period** shall also be subject to the **Limit of Liability** and any applicable **Sublimit of Liability**.

### 5. RETENTION

The **Insurer** shall only be liable for the amount of **Loss** arising from each **Claim** or **First Party Event** that exceeds the Retention stated in Item 6 of the Declarations as applicable to the **Coverage Section** affording coverage to such **Claim** or **First Party Event**. Such Retention amounts must be borne by the **Insureds** and remain uninsured.

(a) For **Third Party Coverage Sections**

If a **Claim** triggers more than one **Third Party Coverage Section**, the highest applicable Retention amount shall apply to such **Claim**.

A single Retention amount shall apply to all **Claims** alleging **Related Acts**.

(b) For **First Party Coverage Sections**

If a **First Party Event** triggers more than one **First Party Coverage Section**, all applicable Retention amounts shall apply to such **First Party Event**.

A separate Retention amount shall apply to each respective **First Party Coverage Section** for **First Party Events** involving **Related Acts**.

(c) For **First Party Coverage Sections** and **Third Party Coverage Sections**

If a **First Party Event** or a **Third Party Event** and any **Related Acts** trigger coverage under one or more **First Party Coverage Sections** and one or more **Third Party Coverage Sections**, all **First Party Coverage Section** Retentions shall apply pursuant to (b) above, in addition to the applicable **Third Party Coverage Section** Retention pursuant to (a) above.

6. NOTICE

(a) The **Insureds** shall, as a condition precedent to the obligations of the **Insurer** under this policy, give written notice to the **Insurer** of any **Claim** made against an **Insured** or a **First Party Event** as soon as practicable after:

- (1) any personnel in a **Company's** office of the: (i) Chief Executive Officer; (ii) Chief Financial Officer; (iii) Chief Security Officer; (iv) Chief Technology Officer; (v) Chief Information Officer; (vi) Risk Manager; or (vii) General Counsel; (or equivalent positions) first becomes aware of the **Claim**; or
- (2) any **First Party Event** commences or, solely with respect to a **Discovery Coverage Section**, is discovered.

Notwithstanding the foregoing and regardless of whether any personnel described in (1) above has become aware, in all events each **Claim** under a **Claims-Made and Reported Coverage Section** must be reported no later than either:

- (1) forty-five (45) days after the end of the **Policy Period**; or
- (2) the end of any applicable **Discovery Period**.

(b) If written notice of a **Claim** or a **First Party Event** has been given to the **Insurer** pursuant to Clause (a) above, then:

- (1) any subsequent **Claim** made against an **Insured**; or
- (2) any subsequent **First Party Event**;

arising out of, based upon or attributable to the facts giving rise to such **Claim** or **First Party Event** for which such notice has been given, or alleging any **Related Act** thereto, shall be considered made at the time such notice was given; and

(c) Solely with respect to any **Claims-Made and Reported Coverage Section**, if during the **Policy Period** or during the **Discovery Period** (if applicable), an **Insured** shall become aware of any circumstances which may reasonably be expected to give rise to a **Claim** being made against an **Insured** and shall choose to give written notice to the **Insurer** of such circumstances, the **Third Party Events**, allegations anticipated and the reasons for anticipating such a **Claim**, with full particulars as to dates, persons and entities involved, then any **Claim** which is subsequently made against an **Insured** and reported to the **Insurer** alleging, arising out of, based upon or attributable to such circumstances or alleging any **Related Act** to that alleged or contained in such circumstances, shall be considered made at the time such notice of such circumstances was given.

(d) Notice as described herein shall be given in writing, addressed as below and shall include reference this policy number and **Coverage Sections** under which an **Insured** is providing notice:

AIG, Financial Lines Claims  
P.O. Box 25947  
Shawnee Mission, KS 66225

The Policy Number set forth in the Declarations shall be referenced under the address on the envelope and in the notice itself.

If mailed, the date of mailing shall constitute the date that such notice was given and proof of mailing shall be sufficient proof of notice.

## 7. INSURED'S OBLIGATIONS

In connection with all **Claims** and **First Party Events** under this policy, each **Insured** agrees to the following:

- (a) such **Insured** shall send the **Insurer** copies of all demands, suit papers, other related legal documents and invoices for **Defense Costs** received by such **Insured**, as soon as practicable;
- (b) such **Insured** shall immediately record the specifics of any **Claim** and **First Party Event** and the date such **Insured** first received such **Claim** or **First Party Event**;
- (c) such **Insured** shall cooperate with and help the **Insurer** and/or any counsel appointed pursuant to the terms of this policy, including, without limitation, as follows:
  - (1) by not admitting liability;
  - (2) in making settlements;
  - (3) in enforcing any legal rights any **Insured** may have against anyone who may be liable to any **Insured**;
  - (4) by attending depositions, hearings and trials;
  - (5) by securing and giving evidence, and obtaining the attendance of witnesses;
  - (6) by furnishing any and all documentation within the possession of such **Insured** that may be required; and
  - (7) by taking such actions that such **Insured** and the **Insurer** agree are necessary and practicable to prevent or limit **Loss** arising from any **First Party Event** or **Third Party Event**.
- (d) unless required to do so by law, **Insureds** shall not, without the **Insurer's** prior written consent:
  - (1) assume any financial obligation or incur any cost unless specifically allowed to settle any **Claim** on behalf of all **Insureds** within the retention pursuant to a **Coverage Section**.
  - (2) take any action, or fail to take any required action which prejudices the **Insurer's** rights under this policy.

## 8. CANCELLATION

- (a) **By Named Entity:** This policy may be canceled by the **Named Entity** at any time only by mailing written prior notice to the **Insurer** or by surrender of this policy to the **Insurer's** authorized agent or to the **Insurer**.
- (b) **By the Insurer:** This policy may be canceled by the **Insurer's** delivering to the **Named Entity** by registered, certified, other first class mail or other reasonable delivery method, at the address of the **Named Entity** set forth in Item 1 of the Declarations, written notice stating when, not less than sixty (60) days thereafter (ten (10) days in the event of cancellation for non-payment of premium), the cancellation shall be effective. Proof of mailing or delivery of such notice as aforesaid shall be sufficient proof of notice and this policy shall be deemed canceled as to all **Insureds** at the date and hour specified in such notice.
- (c) **Return of Premium:** If this policy shall be canceled by the **Named Entity**, the **Insurer** shall retain the customary short rate proportion of the premium hereon. If this policy shall be

GENERAL TERMS AND CONDITIONS



canceled by the **Insurer**, the **Insurer** shall retain the pro rata proportion of the premium hereon.

## 9. DISCOVERY

The below provisions of this Clause are applicable solely to **Claims-Made and Reported Coverage Section** of this policy but are not applicable in the event of cancellation for non-payment of premium:

- (a) **Automatic Discovery Period:** If the **Named Entity** or the **Insurer** shall cancel or refuse to renew this policy or in the event of a **Transaction** (as that term is defined in Clause 10. below), the **Named Entity** shall have the right following the effective date of such cancellation or nonrenewal to a period of sixty (60) days (the "**Automatic Discovery Period**") in which to give written notice to the **Insurer** of **Claims** first made against an **Insured** during the **Automatic Discovery Period** for any **Third Party Events** occurring prior to the end of the **Policy Period** and otherwise covered by this policy. The **Automatic Discovery Period** shall not apply where an **Optional Discovery Period** has been purchased or to **Claims** that are covered under any subsequent insurance an **Insured** purchases or that is purchased for an **Insured's** benefit, or that would be covered by any subsequent insurance but for the exhaustion of the amount of insurance applicable to such **Claims** or any applicable Retention amount.
- (b) **Optional Discovery Period:** Except as indicated below, if the **Named Entity** or the **Insurer** shall cancel or refuse to renew this policy or in the event of a **Transaction** (as that term is defined in Clause 10. below), the **Named Entity** shall have the right to a period of up to three years following the effective date of such cancellation or nonrenewal (an "**Optional Discovery Period**"), upon payment of an additional premium amount of up to:
- (i) one hundred percent (100%) of the full annual premium, for a period of one (1) year,
  - (ii) one hundred and seventy-five percent (175%) of the full annual premium, for a period of two (2) years, or
  - (iii) two hundred percent (200%) of the full annual premium, for a period of three (3) years,
- in which to give written notice to the **Insurer** of **Claims** first made against an **Insured** during the **Optional Discovery Period** for any **Third Party Events** occurring prior to the end of the **Policy Period** and otherwise covered by this policy.

If the **Named Entity** exercises its right to purchase an **Optional Discovery Period**, that period incepts at the end of the **Policy Period** and there shall be no **Automatic Discovery Period**.

As used herein, "full annual premium" means the premium amount set forth in the Declarations as such, plus an additional premium charged for any endorsements to this policy.

The right to purchase an **Optional Discovery Period** shall terminate unless written notice of election, together with any additional premium due, is received by the **Insurer** no later than thirty (30) days after the effective date of the cancellation, nonrenewal or transaction.

Any **Discovery Period** cannot be canceled and any additional premium charged for an **Optional Discovery Period** shall be fully earned at inception.

This Clause shall not apply to any cancellation resulting from non-payment of premium.

## 10. TRANSACTIONS

(a) If during the **Policy Period**:

- (1) the **Named Entity** shall consolidate with or merge into, or sell all or substantially all of its assets to any other person or entity or group of persons or entities acting in concert; or

(2) any person or entity or group of persons or entities acting in concert shall acquire **Management Control** of the **Named Entity**;

(either of the above events herein referred to as the "**Transaction**"), then this policy shall continue in full force and effect only as to those **First Party Events** and **Third Party Events** occurring prior to the effective time of the **Transaction**.

This policy may not be canceled after the effective time of the **Transaction**.

(b) Notwithstanding the foregoing, this policy may continue in full force and effect as to those **First Party Events** and **Third Party Events** occurring subsequent to the effective time of the **Transaction** if:

(1) within thirty (30) days of such **Transaction** the **Insurer** has been provided with full particulars of the **Transaction**, the related or acquiring person(s) or entity(ies) and any other information requested by the **Insurer**; and

(2) the **Insurer** waives the restrictions set forth in Paragraph 10(a) above with respect to such **Transaction** by written endorsement to this policy and the **Named Entity** or its successor has paid any additional premium and accepted any amendments to this policy required by the **Insurer**.

#### 11. SUBROGATION

An **Insured** may be able to recover all or part of **Loss** from someone other than the **Insurer**. Such **Insured** must do all that is possible after a **First Party Event** or **Third Party Event** to preserve any, and all, rights of recovery. As a condition of any payment by the **Insurer** under this policy, an **Insured's** rights to recovery will be transferred to the **Insurer**. Each **Insured** will do whatever is necessary, including signing documents, to help the **Insurer** obtain that recovery.

A **Company** may waive an **Insured's** rights to recovery against others if such **Company** does so in writing and before the **First Party Event** or **Third Party Event** occurred.

#### 12. OTHER INSURANCE

Such insurance as is provided by this policy shall apply only as excess over any other valid and collectible insurance, unless such other insurance is expressly written to be excess over the **Limit of Liability** or any applicable **Sublimit of Liability** provided by this policy.

#### 13. NOTICE AND AUTHORITY

Except for the giving of a notice of **Claim**, which shall be governed by the provisions of Section 6 of these **General Terms and Conditions**, all notices required under this policy to be given by an **Insured** to the **Insurer** shall be given in writing to the **Insurer** at the address stated in Item 4(a) of the **Declarations**. It is agreed that the **Named Entity** shall act on behalf of all **Insureds** with respect to the giving of notice of a **Claim**, the giving and receiving of notice of cancellation and nonrenewal, the payment of premiums and the receiving of any return premiums that may become due under this policy, the receipt and acceptance of any endorsements issued to form a part of this policy, the exercising or declining of the right to tender the defense of a **Claim** to the **Insurer** and the exercising or declining to exercise any right to a **Discovery Period**.

#### 14. ASSIGNMENT

This policy and any and all rights hereunder are not assignable without the prior written consent of the **Insurer**, which consent shall be in the sole and absolute discretion of the **Insurer**.

#### 15. DISPUTE RESOLUTION PROCESS

It is hereby understood and agreed that all disputes or differences which may arise under or in connection with this policy, whether arising before or after termination of this policy, including any determination of the amount of **Loss**, must first be submitted to the

non-binding mediation process as set forth in this Clause.

The non-binding mediation will be administered by any mediation facility to which the **Insurer** and the **Named Entity** mutually agree, in which all implicated **Insureds** and the **Insurer** shall try in good faith to settle the dispute by mediation in accordance with the American Arbitration Association's ("AAA") then-prevailing Commercial Mediation Rules. The parties shall mutually agree on the selection of a mediator. The mediator shall have knowledge of the legal, corporate management, or insurance issues relevant to the matters in dispute. The mediator shall also give due consideration to the general principles of the law of the state where the **Named Entity** is incorporated in the construction or interpretation of the provisions of this policy. In the event that such non-binding mediation does not result in a settlement of the subject dispute or difference:

- (a) either party shall have the right to commence a judicial proceeding; or
- (b) either party shall have the right, with all other parties consent, to commence an arbitration proceeding with the **AAA** that will be submitted to an arbitration panel of three (3) arbitrators as follows: (i) the implicated **Insureds** shall select one (1) arbitrator; (ii) the **Insurer** shall select one (1) arbitrator; and (iii) said arbitrators shall mutually agree upon the selection of the third arbitrator. The arbitration shall be conducted in accordance with the **AAA's** then-prevailing Commercial Arbitration Rules.

Notwithstanding the foregoing, no such judicial or arbitration proceeding shall be commenced until at least 90 days after the date the non-binding mediation shall be deemed concluded or terminated. Each party shall share equally the expenses of the non-binding mediation.

The non-binding mediation may be commenced in New York, New York; Atlanta, Georgia; Chicago, Illinois; Denver, Colorado; or in the state indicated in Item 1 of the Declarations as the mailing address for the **Named Entity**. The **Named Entity** shall act on behalf of each and every **Insured** in connection with any non-binding mediation under this Clause, the selection of arbitration or judicial proceeding and/or the selection of mediators or arbitrators.

#### 16. ACTION AGAINST INSURER

Except as provided in Clause 15 above, no action shall lie against the **Insurer** unless, as a condition precedent thereto, there shall have been full compliance with all of the terms of this policy, nor until the amount of an **Insured's** obligation to pay shall have been finally determined either by judgment against such **Insured** after actual trial or by written agreement of such **Insured**, the claimant and the **Insurer**.

Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this policy to the extent of the insurance afforded by this policy. No person or organization shall have any right under this policy to join the **Insurer** as a party to any action against an **Insured** or a **Company** to determine an **Insured's** liability, nor shall the **Insurer** be impleaded by an **Insured** or a **Company** or their legal representatives.

#### 17. BANKRUPTCY

Bankruptcy or insolvency of any **Company** or any **Insured** or of their estates shall not relieve the **Insurer** of any of its obligations hereunder.

#### 18. WORLDWIDE TERRITORY

Where legally permissible, this policy shall apply to **First Party Events** and **Third Party Events** occurring, **Claims** made or **Losses** suffered anywhere in the world.

#### 19. HEADINGS

The descriptions in the headings of this policy are solely for convenience, and form no part of the terms and conditions of coverage.

## 20. SERVICE OF SUIT

Subject to Clause 15, it is agreed that in the event of the **Insurer's** failure to pay any amount claimed to be due under this policy, the **Insurer**, at the request of any **Insured**, will submit to the jurisdiction of a court of competent jurisdiction within the United States of America. Nothing in this Clause constitutes, or should be understood to constitute, a waiver of the **Insurer's** rights to commence an action in any court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another court as permitted by the laws of the United States of America or of any state in the United States of America. It is further agreed that service of process may be made upon General Counsel, Legal Department, AIG Specialty Insurance Company, 175 Water Street, New York, NY 10038, **OR** Lexington Insurance Company, 100 Summer Street, Boston, MA 02110 or his or her representative, and that in any suit instituted against the **Insurer** upon this contract, the **Insurer** will abide by the final decision of such court or of any appellate court in the event of any appeal.

Further, pursuant to any statute of any state, territory, or district of the United States of America which makes provision therefore, the **Insurer** hereby designates the Superintendent, Commissioner, or Director of Insurance, or other officer specified for that purpose in the statute, or his or her successor or successors in office as the **Insurer's** true and lawful attorney upon whom may be served any lawful process in any action, suit, or proceeding instituted by or on behalf of any **Insured** or any beneficiary hereunder arising out of this contract of insurance, and hereby designates the above-named General Counsel as the person to whom the said officer is authorized to mail such process or a true copy thereof.

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**CRISISFUND INSURANCE**

**("CRISISFUND COVERAGE SECTION")**

**This is an Occurrence Coverage Section and a First Party Coverage Section**

**Notice:** Pursuant to Clause 1 of the **General Terms and Conditions**, the **General Terms and Conditions** are incorporated by reference into, made a part of and are expressly applicable to this **CrisisFund Coverage Section**, unless otherwise explicitly stated to the contrary in the **General Terms and Conditions** or in this **CrisisFund Coverage Section**.

**1. INSURING AGREEMENTS**

With respect to the **CRISISFUND INSURING AGREEMENT** of this Clause 1., solely with respect to a **CrisisFund Event** first occurring during the **Policy Period** and reported to the **Insurer** pursuant to the terms of this policy, this **CrisisFund Coverage Section** affords the following coverage:

**CRISISFUND INSURING AGREEMENT**

The **Insurer** shall pay all **Loss** that an **Insured** incurs solely as a result of a **CrisisFund Event**.

**2. DEFINITIONS**

- (a) **"Bodily Injury"** means physical injury, sickness or disease, and, if arising out of the foregoing, mental anguish, mental injury, shock, humiliation or death at any time.
- (b) **"CrisisFund Event"** means any of the following:
  - (1) **Management Crisis:** The death, incapacity or criminal indictment of any directors, trustees or officers, including, but not limited to, the executive director, or any employee on whom an **Insured** maintains key person life insurance.
  - (2) **Bankruptcy:** The public announcement that an **Insured** intends to file for bankruptcy protection under the bankruptcy laws or that third parties are seeking to file for involuntary bankruptcy on behalf of such **Insured**.
  - (3) **Contribution Revocation:** The withdrawal or return of any non-governmental grant, contribution or bequest to an **Insured** in excess of five hundred thousand dollars (\$500,000).
  - (4) **Regulatory Crisis:** The public announcement of the commencement or threat of commencement of litigation or governmental, regulatory or criminal proceedings against an **Insured**.
  - (5) **Mass Tort:** The public announcement or accusation that an **Insured**, in the conduct of its business, has caused the **Bodily Injury** of a group of persons, or damage to or destruction of any tangible group of properties, including the loss of use thereof.
  - (6) **Publicity Event:** The publication of materially unfavorable information in a newspaper (or other general circulation) or on a radio or television news report regarding an **Insured** that can reasonably be considered to lessen public confidence in the competence, integrity or viability of such **Insured** to conduct business.
- (c) **"First Party Event"** means a **CrisisFund Event**.
- (d) **"Insured"** means a **Company**.

(e) "**Loss**" means the following reasonable expenses necessitated by or in connection with an **Insured's** response to a **CrisisFund Event**, and incurred by an **Insured** during a **CrisisFund Event**, within ninety (90) days prior to and in anticipation of a **CrisisFund Event**, and/or within one year of the end of a **CrisisFund Event**:

- (1) for a public relations firm, crisis management firm or law firm agreed to by the **Insurer** to advise an **Insured** on minimizing the harm to such **Insured**, including, but not limited to, maintaining and restoring public confidence in such **Insured**;
- (2) for printing, advertising, mailing of materials intended to inform or educate the general public about the **CrisisFund Event**;
- (3) for travel;

provided, however, **Loss** shall not include compensation, fees, benefits, overhead or internal charges of any **Insured**.

(f) "**Pollutants**" means, but is not limited to, any solid, liquid, gaseous, biological, radiological or thermal irritant or contaminant, including smoke, vapor, dust, fibers, mold, spores, fungi, germs, soot, fumes, acids, alkalis, chemicals and waste. "Waste" includes, but is not limited to, materials to be recycled, reconditioned or reclaimed and nuclear materials.

### 3. EXCLUSIONS

The **Insurer** shall not be liable to make any payment for **Loss**:

(a) arising out of, based upon or attributable to any dishonest, fraudulent, criminal or malicious act, error or omission, or any intentional or knowing violation of the law, if committed by an **Insured's**:

- (1) past or present directors, officers, trustees, general or managing partners or principals (or the equivalent positions), whether acting alone or in collusion with other persons; or
- (2) past or present employees (other than those referenced in Sub-paragraph (1) above) or independent contractors employed by an **Insured** if any of those referenced in Sub-paragraph (1) above participated in, approved of or acquiesced to, or knew or had reason to know prior to the act of, the dishonest, fraudulent, malicious, or criminal act committed by such employee or independent contractor that caused a direct loss to an **Insured** or any other person.

(b) alleging, arising out of, based upon or attributable to any **CrisisFund Event** related to (1) any pending or prior litigation as of the **Continuity Date** for this **CrisisFund Coverage Section**, or (2) any **Related Act** which has been reported, or in any circumstances of which notice has been given, under any policy of which this **CrisisFund Coverage Section** is a renewal or replacement or which it may succeed in time.

(c) alleging, arising out of, based upon or attributable to any (1) presence of **Pollutants**; (2) the actual or threatened discharge, dispersal, release or escape of **Pollutants**; or (3) direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants, or in any way respond to or assess the effects of **Pollutants**.

### 4. OTHER CRISISFUND INSURANCE

In the event that an **Insured** has purchased another insurance policy from the **Insurer** providing similar coverage to this **CrisisFund Coverage Section**, then the highest applicable limit of insurance for such coverage among this policy and such other policies shall apply, and in all circumstances, the **Insurer's** maximum liability for such coverage shall not be greater than the highest limit of insurance for such coverage among all such policies.

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**CYBER EXTORTION INSURANCE**  
**("CYBER EXTORTION COVERAGE SECTION")**

This is an Occurrence Coverage Section and a First Party Coverage Section

Notice: Pursuant to Clause 1 of the **General Terms and Conditions**, the **General Terms and Conditions** are incorporated by reference into, made a part of and are expressly applicable to this **Cyber Extortion Coverage Section**, unless otherwise explicitly stated to the contrary in either the **General Terms and Conditions** or in this **Cyber Extortion Coverage Section**.

**1. INSURING AGREEMENTS**

With respect to the **CYBER EXTORTION INSURING AGREEMENT** of this Clause 1., solely with respect to a **Security Threat** first occurring during the **Policy Period** and reported to the **Insurer** pursuant to the terms of this policy, this **Cyber Extortion Coverage Section** affords the following coverage:

**CYBER EXTORTION INSURING AGREEMENT**

The **Insurer** shall pay all **Loss** in excess of the applicable Retention that an **Insured** incurs solely as a result of a **Security Threat**.

**2. DEFINITIONS**

- (a) **"Bodily Injury"** means physical injury, sickness or disease and, if arising out of the foregoing, mental anguish, mental injury, shock, humiliation or death at any time.
- (b) **"Computer System"** means any computer hardware, software or any components thereof that are under the ownership, operation or control of, or that are leased by, a **Company** and are linked together through a network of two or more devices accessible through the Internet, internal network or connected with data storage or other peripheral devices.
- (c) **"First Party Event"** means any **Security Threat**.
- (d) **"Insured"** means a **Company**.
- (e) **"Loss"** means:
  - (1) monies paid by an **Insured** with the **Insurer's** prior written consent to terminate or end a **Security Threat** that would otherwise result in harm to an **Insured**; and
  - (2) the costs to conduct an investigation to determine the cause of a **Security Threat**.
- (f) **"Pollutants"** means, but is not limited to, any solid, liquid, gaseous, biological, radiological or thermal irritant or contaminant, including smoke, vapor, dust, fibers, mold, spores, fungi, germs, soot, fumes, acids, alkalis, chemicals and waste. "Waste" includes, but is not limited to, materials to be recycled, reconditioned or reclaimed and nuclear materials.
- (g) **"Property Damage"** means damage to, loss of use of or destruction of any tangible property. For purposes of this definition, "tangible property" shall not include electronic data.
- (h) **"Security Threat"** means any threat or connected series of threats to commit an intentional attack against a **Computer System** for the purpose of demanding money, securities or other tangible or intangible property of value from an **Insured**.

### 3. EXCLUSIONS

The **Insurer** shall not be liable to make any payment for **Loss**:

- (a) alleging, arising out of, based upon or attributable to any dishonest, fraudulent, criminal or malicious act, error or omission, or any intentional or knowing violation of the law, if committed by any of the **Insured's**:
  - (1) past or present directors, officers, trustees, general or managing partners or principals (or the equivalent positions), whether acting alone or in collusion with other persons; or
  - (2) past or present employees (other than those referenced in Sub-paragraph (1) above) or independent contractors employed by the **Insured** if any of those referenced in Sub-paragraph (1) above participated in, approved of, or knew or had reason to know prior to the act of, or acquiesced to the dishonest, fraudulent, malicious, or criminal act committed by such employee or independent contractor that caused a direct loss to an **Insured** or any other person.
- (b) alleging, arising out of, based upon or attributable to any misappropriation or theft of trade secret or infringement of patent, copyright, trademark, trade dress or any other intellectual property right.
- (c) alleging, arising out of, based upon or attributable to any (1) presence of **Pollutants**; (2) the actual or threatened discharge, dispersal, release or escape of **Pollutants**; or (3) direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants, or in any way respond to or assess the effects of **Pollutants**.
- (d) for any **Bodily Injury** or **Property Damage**.
- (e) alleging, arising out of, based upon or attributable to any:
  - (1) fire, smoke, explosion, lightning, wind, water, flood, earthquake, volcanic eruption, tidal wave, landslide, hail, act of God or any other physical event, however caused;
  - (2) war, invasion, act of foreign enemy, hostilities or warlike operations (whether declared or not), civil war, mutiny, civil commotion assuming the proportions of or amounting to a popular rising, military rising, insurrection, rebellion, revolution, military or usurped power, or any action taken to hinder or defend against these actions; or
  - (3) satellite failure.
- (f) alleging, arising out of, based upon or attributable to any **Security Threat** made by any government entity or public authority.
- (g) alleging, arising out of, based upon or attributable to any **Security Threat** or **Related Act** thereto which has been reported, or in any circumstances of which notice has been given, under any policy of which this **Cyber Extortion Coverage Section** is a renewal or replacement or which it may succeed in time.

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**SECURITY FAILURE/PRIVACY EVENT MANAGEMENT INSURANCE**

**("EVENT MANAGEMENT COVERAGE SECTION")**

This is a Discovery Coverage Section and a First Party Coverage Section

Notice: Pursuant to Clause 1 of the **General Terms and Conditions**, the **General Terms and Conditions** are incorporated by reference into, made a part of and are expressly applicable to this **Event Management Coverage Section**, unless otherwise explicitly stated to the contrary in the **General Terms and Conditions** or in this **Event Management Coverage Section**.

**1. INSURING AGREEMENTS**

With respect to the **EVENT MANAGEMENT INSURING AGREEMENT** of this Clause 1., solely with respect to a **Security Failure** or **Privacy Event** first discovered during the **Policy Period** and reported to the Insurer pursuant to the terms of this policy, this **Event Management Coverage Section** affords the following coverage:

**EVENT MANAGEMENT INSURING AGREEMENT**

The Insurer shall pay all **Loss**, in excess of the applicable **Retention**, less the applicable **Coinsurance** percentage, that an **Insured** incurs solely as a result of an alleged **Security Failure** or **Privacy Event** that has actually occurred or is reasonably believed by such **Insured** and the Insurer to have occurred.

**2. DEFINITIONS**

- (a) **"Bodily Injury"** means physical injury, sickness or disease and, if arising out of the foregoing, mental anguish, mental injury, shock, humiliation or death at any time.
- (b) **"Computer System"** means any computer hardware, software or any components thereof that are under the ownership, operation or control of, or that are leased by, a **Company** and that are linked together through a network of two or more devices accessible through the Internet, internal network or connected with data storage or other peripheral devices.
- (c) **"Confidential Information"** means any of the following in a **Company's** or **Information Holder's** care, custody and control or for which a **Company** or **Information Holder** is legally responsible:
  - (1) information from which an individual may be uniquely and reliably identified or contacted, including, without limitation, an individual's name, address, telephone number, social security number, account relationships, account numbers, account balances, account histories and passwords;
  - (2) information concerning an individual that would be considered "nonpublic personal information" within the meaning of Title V of the Gramm-Leach Bliley Act of 1999 (Public Law 106- 102, 113 Stat. 1338) (as amended) and its implementing regulations;
  - (3) information concerning an individual that would be considered "protected health information" within Health Insurance Portability and Accountability Act of 1996 (as amended) and its implementing regulations;
  - (4) information used for authenticating customers for normal business transactions;
  - (5) any third party's trade secrets, data, designs, interpretations, forecasts, formulas, methods, practices, processes, records, reports or other item of information that is not available to the general public.

EVENT MANAGEMENT COVERAGE SECTION

- (d) **"Electronic Data"** means any software or electronic data stored electronically on a **Computer System**, including without limitation **Confidential Information**.
- (e) **"First Party Event"** means any **Privacy Event** or **Security Failure**.
- (f) **"Information Holder"** means a third party that an **Insured** has provided **Confidential Information** to.
- (g) **"Insured"** means a **Company**.
- (h) **"Loss"** means the following reasonable and necessary expenses and costs incurred by an **Insured** within one year of the **Security Failure** or **Privacy Event**:
  - (1) to conduct an investigation (including a forensic investigation) to determine the cause of the **Security Failure** or **Privacy Event**;
  - (2) for a public relations firm, crisis management firm or law firm agreed to by the **Insurer** to advise an **Insured** on minimizing the harm to such **Insured**, including, without limitation, maintaining and restoring public confidence in such **Insured**;
  - (3) to notify those whose **Confidential Information** is the subject of the **Security Failure** or **Privacy Event** and advise of any available remedy in connection with the **Security Failure** or **Privacy Event**, including, without limitation, those expenses and costs for printing, advertising and mailing of materials;
  - (4) for identity theft education and assistance and credit file or identity monitoring;
  - (5) for any other services approved by the **Insurer** at the **Insurer's** sole and absolute discretion;
  - (6) to restore, recreate or recollect **Electronic Data**; or
  - (7) to determine whether **Electronic Data** can or cannot be restored, recollected or recreated.

Provided, however, **Loss** shall not include compensation, fees, benefits, overhead or internal charges of any **Insured**.

- (i) **"Pollutants"** means, but is not limited to, any solid, liquid, gaseous, biological, radiological or thermal irritant or contaminant, including smoke, vapor, dust, fibers, mold, spores, fungi, germs, soot, fumes, acids, alkalis, chemicals and waste. "Waste" includes, but is not limited to, materials to be recycled, reconditioned or reclaimed and nuclear materials.
- (j) **"Privacy Event"** means any failure to protect **Confidential Information** (whether by "phishing," other social engineering technique or otherwise), including, without limitation, that which results in an identity theft or other wrongful emulation of the identity of an individual or corporation.
- (k) **"Property Damage"** means damage to, loss of use of or destruction of any tangible property. For purposes of this definition, "tangible property" shall not include electronic data.
- (l) **"Security Failure"** means a failure or violation of the security of a **Computer System**, including, without limitation, that which results in or fails to mitigate any unauthorized access, unauthorized use, denial of service attack or receipt or transmission of a malicious code. **"Security Failure"** includes any such failure or violation resulting from the theft of a password or access code from an **Insured's** premises, the **Computer System**, or an officers, director or employee of a **Company** by non-electronic means in direct violation of a **Company's** specific written security policies or procedures.

### 3. EXCLUSIONS

The **Insurer** shall not be liable to make any payment for **Loss**:

- (a) alleging, arising out of, based upon or attributable to any dishonest, fraudulent, criminal or malicious act, error or omission, or any intentional or knowing violation of the law, if committed by any of an **Insured's**:
  - (1) past or present directors, officers, trustees, general or managing partners or principals

- (or the equivalent positions), whether acting alone or in collusion with other persons;  
or
- (2) past or present employees (other than those referenced in Sub-paragraph (1) above) or independent contractors employed by an **Insured** if any of those referenced in Sub-paragraph (1) above participated in, approved of, acquiesced to, or knew or had reason to know prior to the act of, the dishonest, fraudulent, malicious, or criminal act committed by such employee or independent contractor that caused a direct loss to an **Insured** or any other person.
- (b) alleging, arising out of, based upon or attributable to any infringement of patent, copyright, trademark, trade dress or any other intellectual property right.
- (c) alleging, arising out of, based upon or attributable to any (1) presence of **Pollutants**; (2) the actual or threatened discharge, dispersal, release or escape of **Pollutants**; or (3) direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants, or in any way respond to or assess the effects of **Pollutants**.
- (d) for any **Bodily Injury or Property Damage**.
- (e) alleging, arising out of, based upon or attributable to any:
- (1) fire, smoke, explosion, lightning, wind, water, flood, earthquake, volcanic eruption, tidal wave, landslide, hail, act of God or any other physical event, however caused;
- (2) war, invasion, act of foreign enemy, hostilities or warlike operations (whether declared or not), civil war, mutiny, civil commotion assuming the proportions of or amounting to a popular rising, military rising, insurrection, rebellion, revolution, military or usurped power, or any action taken to hinder or defend against these actions; or
- (3) satellite failure.
- (f) alleging, arising out of, based upon or attributable to any seizure, confiscation, nationalization, or destruction of a **Computer System** or **Electronic Data** by order of any governmental or public authority.
- (g) alleging, arising out of, based upon or attributable to any **Security Failure** or **Privacy Event**, or any **Related Acts** thereto, which has been reported, or in any circumstances of which notice has been given, under any policy of which this **Event Management Coverage Section** is a renewal or replacement or which it may succeed in time.
- (h) for any profit or advantage to which any **Insured** is not legally entitled.
- (i) alleging, arising out of, based upon or attributable to any amounts for: (i) the original creation of; (ii) diminution of value of; (iii) lost profits of; (iv) or loss of use of, a trade secret, patent, copyright, trademark, trade dress or any other intellectual property.

## 5. COINSURANCE

The Coinsurance percentage applicable to this **Event Management Coverage Section** shall be borne by the **Insureds** and remain uninsured at an **Insured's** own risk. Payments of any Coinsurance percentage by an **Insured** shall not reduce the **Sublimit of Liability** or **Limit of Liability**.

## 6. NOTICE

In addition to the applicable items of Clause 6. **NOTICE** of the **General Terms and Conditions**, and before coverage will apply for **Loss** under this **Event Management Coverage Section**, each **Insured** must also:

- (a) complete and sign a written, detailed and affirmed proof of loss within ninety (90) days after the discovery of any **Loss** (unless such period has been extended by the **Insurer** in writing) which shall include, among any other pertinent information:
- (1) a full description of such **Loss** and the circumstances surrounding such **Loss**, which shall include, among any other necessary information, the time, place and cause of the **Loss**;

- (2) a detailed calculation of any **Loss**; and
  - (3) all underlying documents and materials that reasonably relate to or form any part of the proof of such **Loss**.
- (b) upon the **Insurer's** request, submit to an examination under oath.
- (c) immediately record the specifics of any **Loss, Security Failure or Privacy Event** and the date such **Insured** first became aware of such **Loss, Security Failure or Privacy Event**.
- (d) provide the **Insurer** with any cooperation and assistance that the **Insurer** may request, including assisting the **Insurer** in:
- (1) any investigation of a **Security Failure, Privacy Event, Loss** or circumstance;
  - (2) enforcing any legal rights an **Insured** or the **Insurer** may have against anyone who may be liable to an **Insured**; and
  - (3) executing any documents that the **Insurer** deems necessary to secure its rights under this policy.

All adjusted claims shall be due and payable thirty (30) days after the presentation and written acceptance by the **Insurer** of satisfactory proof of **Loss** to the address set forth in the **General Terms and Conditions**. The costs and expenses of establishing or proving an **Insured's Loss** under this **Event Management Coverage Section**, including, without limitation, those connected with preparing a proof of loss, shall be such **Insured's** obligation, and are not covered under this policy.

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**AIG Specialty Insurance Company**

A capital stock company

**Specialty Risk Protector<sup>®</sup>**

**Network Interruption Insurance  
("Network Interruption Coverage Section")**

**This is an Occurrence Coverage Section and a First Party Coverage Section**

Notice: Pursuant to Clause 1 of the **General Terms and Conditions**, the **General Terms and Conditions** are incorporated by reference into, made a part of and are expressly applicable to this **Network Interruption Coverage Section**, unless otherwise explicitly stated to the contrary in the **General Terms and Conditions** or in this **Network Interruption Coverage Section**.

**1. INSURING AGREEMENTS**

With respect to the **NETWORK INTERRUPTION INSURING AGREEMENT** of this Clause 1., solely with respect to a **Security Failure** first occurring during the **Policy Period** and reported to the **Insurer** pursuant to the terms of this policy, this **Network Interruption Coverage Section** affords the following coverage:

**NETWORK INTERRUPTION INSURING AGREEMENT**

The **Insurer** shall pay all **Loss** in excess of the **Remaining Retention** that an **Insured** incurs after the **Waiting Hours Period** and solely as a result of a **Security Failure**.

**2. DEFINITIONS**

- (a) **"Bodily Injury"** means physical injury, sickness or disease and, if arising out of the foregoing, mental anguish, mental injury, shock, humiliation or death at any time.
- (b) **"Computer System"** means any computer hardware, software or any components thereof that are under the ownership, operation or control of a **Company** or an **Outsource Provider**, or leased by a **Company**, and linked together through a network of two or more devices accessible through the Internet, internal network or connected with data storage or other peripheral devices.
- (c) **"First Party Event"** means any **Security Failure**.
- (d) **"Insured"** means a **Company**.
- (e) **"Loss"** means the below listed costs incurred within 120 days after the end of a **Material Interruption** (or 120 days after the **Material Interruption** would have ended if an **Insured** exercised due diligence and dispatch):
  - (1) costs that would not have been incurred but for a **Material Interruption**; and
  - (2) the sum of all of following, which shall be calculated on an hourly basis:
    - (a) Net Income (Net Profit or Loss before income taxes) that would have been earned; and
    - (b) Continuing normal operating expenses incurred, including payroll.
- (f) **"Material Interruption"** means the actual and measurable interruption or suspension of an **Insured's** business directly caused by a **Security Failure**.
- (g) **"Outsource Provider"** means an entity not owned, operated or controlled by an **Insured** that such **Insured** depends on to conduct its business.

- (h) "**Pollutants**" means, but is not limited to, any solid, liquid, gaseous, biological, radiological or thermal irritant or contaminant, including smoke, vapor, dust, fibers, mold, spores, fungi, germs, soot, fumes, acids, alkalis, chemicals and waste. "Waste" includes, but is not limited to, materials to be recycled, reconditioned or reclaimed and nuclear materials.
- (i) "**Property Damage**" means damage to, loss of use of or destruction of any tangible property. For purposes of this definition, "tangible property" shall not include electronic data.
- (j) "**Remaining Retention**" means the Retention set forth in Item 6 of the Declarations for this **Network Interruption Coverage Section** less the amount of **Loss** incurred by any **Insured** during the **Waiting Hours Period**. If the **Loss** incurred by any **Insured** during the **Waiting Hours Period** is greater than the applicable Retention set forth in the Declarations, the **Remaining Retention** equals zero.
- (k) "**Security Failure**" means a failure or violation of the security of a **Computer System**, including, without limitation, that which results in or fails to mitigate any unauthorized access, unauthorized use, denial of service attack or receipt or transmission of a malicious code. "**Security Failure**" includes any such failure or violation resulting from the theft of a password or access code from a **Company's** premises, a **Company's Computer System**, or an officer, director or employee of a **Company** by non-electronic means in direct violation of a **Company's** specific written security policies or procedures.
- (l) "**Waiting Hours Period**" means the number of hours set forth in Item 6 of the Declarations that must elapse once a **Material Interruption** has begun.

### 3. EXCLUSIONS

The **Insurer** shall not be liable to make any payment for **Loss**:

- (a) alleging, arising out of, based upon or attributable to any dishonest, fraudulent, criminal or malicious act, error or omission, or any intentional or knowing violation of the law, if committed by any of an **Insured's**:
  - (1) past or present directors, officers, trustees, general or managing partners or principals (or the equivalent positions), whether acting alone or in collusion with other persons; or
  - (2) past or present employees (other than those referenced in Sub-paragraph (1) above) or independent contractors employed by an **Insured** if any of those referenced in Sub-paragraph (1) above participated in, approved of, acquiesced to, or knew or had reason to know prior to the act of, the dishonest, fraudulent, malicious, or criminal act committed by such employee or independent contractor that caused a direct loss to an **Insured** or any other person.
- (b) alleging, arising out of, based upon or attributable to any misappropriation or theft of trade secret or infringement of patent, copyright, trademark, trade dress or any other intellectual property right.
- (c) alleging, arising out of, based upon or attributable to any (1) presence of **Pollutants**; (2) the actual or threatened discharge, dispersal, release or escape of **Pollutants**; or (3) direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants, or in any way respond to or assess the effects of **Pollutants**.
- (d) alleging, arising out of, based upon or attributable to any **Bodily Injury** or **Property Damage**.
- (e) alleging, arising out of, based upon or attributable to any:
  - (1) fire, smoke, explosion, lightning, wind, water, flood, earthquake, volcanic eruption, tidal wave, landslide, hail, act of God or any other physical event, however caused;
  - (2) war, invasion, act of foreign enemy, hostilities or warlike operations (whether declared or not), civil war, mutiny, civil commotion assuming the proportions of or amounting

to a popular rising, military rising, insurrection, rebellion, revolution, military or usurped power, or any action taken to hinder or defend against these actions; or

(3) satellite failure.

- (f) alleging, arising out of, based upon or attributable to any seizure, confiscation, nationalization, or destruction of a **Computer System** by order of any governmental or public authority.
- (g) alleging, arising out of, based upon or attributable to any **Security Failure** or **Related Act** thereto which has been reported, or in any circumstances of which notice has been given, under any policy of which this **Network Interruption Coverage Section** is a renewal or replacement or which it may succeed in time.
- (h) for any profit or advantage to which any **Insured** is not legally entitled.
- (i) alleging, arising out of, based upon or attributable to: (1) any liability to third-parties for whatever reason; (2) legal costs or legal expenses of any type; (3) updating, upgrading, enhancing, or replacing any **Computer System** to a level beyond that which existed prior to sustaining **Loss**; (4) unfavorable business conditions; or (5) the removal of software program errors or vulnerabilities.

#### 4. LIMIT OF LIABILITY

The following provisions shall apply in addition to the provisions of Clause 4. **LIMIT OF LIABILITY** of the **General Terms and Conditions**:

Notwithstanding anything in the policy to the contrary, the maximum liability of the **Insurer** for all **Loss** arising from a **Security Failure** of the **Computer System** of an **Outsource Provider** shall be \$100,000. This amount shall be part of and not in addition to the **Limit of Liability** or any applicable **Sublimit of Liability**.

#### 5. RETENTION

The following provisions shall apply in addition to the provisions of Clause 5. **RETENTION** of the **General Terms and Conditions**:

Solely with respect to this **Network Interruption Coverage Section**, the applicable Retention shall be the **Remaining Retention**.

#### 6. NOTICE

In addition to the applicable items of Clause 6. **NOTICE** of the **General Terms and Conditions**, and before coverage will apply for **Loss** under this **Network Interruption Coverage Section**, each **Insured** must also:

- (a) complete and sign a written, detailed and affirmed proof of loss within ninety (90) days after the discovery of any **Loss** (unless such period has been extended by the **Insurer** in writing) which shall include, among any other pertinent information:
  - (1) a full description of such **Loss** and the circumstances surrounding such **Loss**, which shall include, among any other necessary information, the time, place and cause of the **Loss**;
  - (2) a detailed calculation of any **Loss**; and
  - (4) all underlying documents and materials that reasonably relate to or form a part of the basis of the proof of such **Loss**.
- (b) upon the **Insurer's** request, submit to an examination under oath.
- (c) immediately record the specifics of any **Loss** or **Security Failure** and the date such **Insured** first became aware of such **Loss** or **Security Failure**.
- (d) provide the **Insurer** with any cooperation and assistance that the **Insurer** may request, including assisting the **Insurer** in:

- (1) any investigation of a **Security Failure, Loss** or circumstance;
- (2) enforcing any legal rights an **Insured** or the **Insurer** may have against anyone who may be liable to an **Insured**;
- (3) executing any documents that the **Insurer** deem necessary to secure its rights under this policy; and
- (4) any calculation or appraisal conducted by or on behalf of the **Insurer** pursuant to this **Network Interruption Coverage Section**.

All adjusted claims shall be due and payable thirty (30) days after the presentation and written acceptance by the **Insurer** of satisfactory proof of **Loss** to the address set forth in the **General Terms and Conditions**. The costs and expenses of establishing or proving an **Insured's Loss** under this **Network Interruption Coverage Section**, including, without limitation, those connected with preparing a proof of loss, shall be such **Insured's** obligation, and are not covered under this policy.

#### 7. NET PROFIT CALCULATIONS

In determining the amount of net profit (or net loss) and charges and expenses covered hereunder for the purpose of ascertaining the amount of **Loss** (and otherwise) under this **Network Interruption Coverage Section**, due consideration shall be given to the prior experience of an **Insured's** business before the beginning of the **Security Failure** and to the probable business an **Insured** could have performed had no **Security Failure** occurred. Provided, however, that such net profit (or net loss) calculations shall not include, and this policy shall not cover, net income that would likely have been earned as a result of an increase in volume of business due to favorable business conditions caused by the impact of **Security Failures** on other businesses. All such net profit (or net loss) and charges and expenses shall be calculated on an hourly basis and based on such an **Insured's** actual net profit (or net loss) and charges and expenses.

#### 8. APPRAISAL

If any **Insured** and the **Insurer** disagree on the amount of **Loss**, either may make a written demand for an appraisal of such **Loss**. If such demand is made, each party will select a competent and impartial appraiser. The appraisers will then jointly select an umpire. If the appraisers cannot agree on an umpire, they may request that selection be made by a judge of a court having jurisdiction. Each appraiser will separately state the amount of **Loss**. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two of these three will be binding.

Such **Insured** and the **Insurer** will:

- (1) pay their respective chosen appraiser; and
- (2) bear the expenses of the umpire equally.

Any appraisal of **Loss** shall be calculated in accordance with all terms, conditions and exclusions of this policy.

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**AIG Specialty Insurance Company**

A capital stock company

**SPECIALTY RISK PROTECTOR<sup>®</sup>**

**SECURITY AND PRIVACY LIABILITY INSURANCE  
("SECURITY AND PRIVACY COVERAGE SECTION")**

**This is a Claims Made and Reported Coverage Section and a Third Party Coverage Section**

**Notice:** Pursuant to Clause 1 of the **General Terms and Conditions**, the **General Terms and Conditions** are incorporated by reference into, made a part of and are expressly applicable to this **Security and Privacy Coverage Section**, unless otherwise explicitly stated to the contrary in the **General Terms and Conditions** or in this **Security and Privacy Coverage Section**.

**1. INSURING AGREEMENTS**

With respect to the **SECURITY AND PRIVACY INSURING AGREEMENT**, the **DEFENSE** provisions and the **SETTLEMENT** provisions of this Clause 1., solely with respect to **Claims** first made against an **Insured** during the **Policy Period** or the **Discovery Period** (if applicable) and reported to the **Insurer** pursuant to the terms of this policy, this **Security and Privacy Coverage Section** affords the following coverage:

**SECURITY AND PRIVACY INSURING AGREEMENT**

The **Insurer** shall pay on an **Insured's** behalf all **Loss** in excess of the applicable Retention that such **Insured** is legally obligated to pay resulting from a **Claim** alleging a **Security Failure** or a **Privacy Event**.

**DEFENSE**

- (a) The **Insurer** has the right and duty to defend a **Suit** or **Regulatory Action** alleging a **Security Failure** or a **Privacy Event**, even if the **Suit** or **Regulatory Action** is groundless, false or fraudulent.
- (b) The **Insurer** has the right to investigate any **Claim**.
- (c) The **Insurer's** duty to defend ends if an **Insured** refuses to consent to a settlement that the **Insurer** recommends pursuant to the **SETTLEMENT** provision below and that the claimant will accept. As a consequence of such **Insured's** refusal, the **Insurer's** liability shall not exceed the amount for which the **Insurer** could have settled such **Claim** had such **Insured** consented, plus **Defense Costs** incurred prior to the date of such refusal, plus 50% of **Defense Costs** incurred with the **Insurer's** prior written consent after the date of such refusal. This Clause shall not apply to any settlement where the total incurred **Loss** does not exceed the applicable Retention amount.

**SETTLEMENT**

- (a) The **Insurer** has the right, with the written consent of an **Insured**, which consent shall not be unreasonably withheld, to settle any **Claim** if the **Insurer** believes that it is proper.
- (b) An **Insured** may settle any **Claim** on behalf of all **Insureds** to which this insurance applies and which are subject to one Retention amount where the total incurred **Loss** does not exceed the Retention amount.

**2. DEFINITIONS**

- (a) "**Bodily Injury**" means physical injury, sickness or disease, and, if arising out of the foregoing, mental anguish, mental injury, shock, humiliation or death at any time.

(b) "**Claim**" means:

- (1) a written demand for money, services, non-monetary relief or injunctive relief;
- (2) a **Suit**; or
- (3) a **Regulatory Action**.

(c) "**Computer System**" means any computer hardware, software or any components thereof that are under the ownership, operation or control of, or that is leased by, a **Company** and are linked together through a network of two or more devices accessible through the Internet, internal network or connected with data storage or other peripheral devices.

(d) "**Confidential Information**" means any of the following in a **Company's** or **Information Holder's** care, custody and control or for which a **Company** or **Information Holder** is legally responsible:

- (1) information from which an individual may be uniquely and reliably identified or contacted, including, without limitation, an individual's name, address, telephone number, social security number, account relationships, account numbers, account balances, account histories and passwords;
- (2) information concerning an individual that would be considered "nonpublic personal information" within the meaning of Title V of the Gramm-Leach Bliley Act of 1999 (Public Law 106-102, 113 Stat. 1338) (as amended) and its implementing regulations;
- (3) information concerning an individual that would be considered "protected health information" within Health Insurance Portability and Accountability Act of 1996 (as amended) and its implementing regulations;
- (4) information used for authenticating customers for normal business transactions;
- (5) any third party's trade secrets, data, designs, interpretations, forecasts, formulas, methods, practices, processes, records, reports or other item of information that is not available to the general public.

(e) "**Defense Costs**" means all reasonable and necessary fees charged by an attorney appointed by the **Insurer** (unless otherwise provided for by this policy) in connection with any **Suit** or **Regulatory Action** brought against an **Insured**, as well as all other reasonable and necessary fees, costs and expenses (including premiums for any appeal bond, attachment bond or similar bond arising out of a covered judgment, but without any obligation to apply for or furnish any such bond) incurred in the defense or investigation of a **Claim** by the **Insurer** or by an **Insured** with the **Insurer's** written consent. **Defense Costs** shall not include: (i) compensation of any natural person **Insured**; or (ii) any fees, costs or expenses incurred prior to the time that a **Claim** is first made against an **Insured**.

(f) "**Information Holder**" means a third party that a **Company** has provided **Confidential Information** to.

(g) "**Insured**" means:

- (1) a **Company**;
- (2) any past, present or future officer, director, trustee or employee of a **Company** acting in their capacity as such (and in the event a **Company** is a partnership, limited liability partnership or limited liability company, then any general or managing partner or principal thereof acting in their capacity as such); and
- (3) any entity which a **Company** is required by contract to add as an **Insured** under this **Security and Privacy Coverage Section**, but only for the acts of such **Company** that result in a **Security Failure** or a **Privacy Event**.

(h) "**Loss**" means compensatory damages, judgments, settlements, pre-judgment and post-judgment interest and **Defense Costs**, including without limitation:

- (1) punitive, exemplary and multiple damages where insurable by the applicable law which most favors coverage for such punitive, exemplary and multiple damages; and

- (2) any monetary amounts an **Insured** is required by law or has agreed to by settlement to deposit into a consumer redress fund.
- (i) "**Pollutants**" means, but is not limited to, any solid, liquid, gaseous, biological, radiological or thermal irritant or contaminant, including smoke, vapor, dust, fibers, mold, spores, fungi, germs, soot, fumes, acids, alkalis, chemicals and waste. "Waste" includes, but is not limited to, materials to be recycled, reconditioned or reclaimed and nuclear materials.
- (j) "**Privacy Event**" means the following occurring on or after the **Retroactive Date** and prior to the end of the **Policy Period**:
- (1) any failure to protect **Confidential Information** (whether by "phishing," other social engineering technique or otherwise) including, without limitation, that which results in an identity theft or other wrongful emulation of the identity of an individual or corporation;
- (2) failure to disclose an event referenced in Sub-paragraph (1) above in violation of any **Security Breach Notice Law**; or
- (3) violation of any federal, state, foreign or local privacy statute alleged in connection with a **Claim** for compensatory damages, judgments, settlements, pre-judgment and post-judgment interest from Sub-paragraphs (1) or (2) above.
- (k) "**Property Damage**" means damage to, loss of use of or destruction of any tangible property. For purposes of this definition, "tangible property" shall not include electronic data.
- (l) "**Regulatory Action**" means a request for information, civil investigative demand or civil proceeding brought by or on behalf of a governmental agency, including requests for information related thereto.
- (m) "**Security breach notice law**" means any statute or regulation that requires an entity storing **Confidential Information** on its **Computer System**, or any entity that has provided **Confidential Information** to an **Information Holder**, to provide notice of any actual or potential unauthorized access by others to **Confidential Information** stored on such **Computer System**, including but not limited to, the statute known as California SB 1386 (§ 1798.82, *et. Al.* of the California Civil Code).
- (n) "**Security Failure**" means the following occurring on or after the **Retroactive Date** and prior to the end of the **Policy Period**:
- (1) a failure or violation of the security of a **Computer System** including, without limitation, that which results in or fails to mitigate any unauthorized access, unauthorized use, denial of service attack or receipt or transmission of a malicious code;
- (2) physical theft of hardware controlled by a **Company** (or components thereof) on which electronic data is stored, by a person other than an **Insured**, from a premises occupied and controlled by a **Company**; or
- (3) failure to disclose an event referenced in Sub-paragraphs (1) or (2) above in violation of any **Security Breach Notice Law**.
- "**Security Failure**" includes any such failure or violation, resulting from the theft of a password or access code from an **Insured's** premises, the **Computer System**, or an officer, director or employee of a **Company** by non-electronic means in direct violation of a **Company's** specific written security policies or procedures.
- (o) "**Suit**" means a civil proceeding for monetary, non-monetary or injunctive relief, which is commenced by service of a complaint or similar pleading. **Suit** includes a binding arbitration proceeding to which an **Insured** must submit or does submit with the **Insurer's** consent.
- (p) "**Third Party Event**" means a **Security Failure** or **Privacy Event**.

### 3. EXCLUSIONS

This policy shall not cover **Loss** in connection with a **Claim** made against an **Insured**:

(a) alleging, arising out of, based upon or attributable to any dishonest, fraudulent, criminal or malicious act, error or omission, or any intentional or knowing violation of the law, if committed by an **Insured's** or **Information Holder's**:

- (1) past or present directors, officers, trustees, general or managing partners or principals (or the equivalent positions), whether acting alone or in collusion with other persons; or
- (2) past or present employees (other than those referenced in Sub-paragraph (1) above) or independent contractors employed by an **Insured** or an **Information Holder** if any of those referenced in Sub-paragraph (1) above knew or had reason to know prior to the act of, participated in, approved of or acquiesced to the dishonest, fraudulent, malicious, or criminal act committed by such employee or independent contractor that caused a direct loss to an **Insured**, **Information Holder** or any other person;

provided, however, the **Insurer** will defend **Suits** that allege any of the foregoing conduct by such person, and that are not otherwise excluded, until there is a final judgment or final adjudication against such person in a **Suit**, adverse finding of fact against such person in a binding arbitration proceeding or plea of guilty or no contest by such person as to such conduct, at which time the **Insureds** shall reimburse the **Insurer** for **Defense Costs**.

(b) alleging, arising out of, based upon or attributable to any infringement of patent.

(c) alleging, arising out of, based upon or attributable to any (1) presence of **Pollutants**, (2) the actual or threatened discharge, dispersal, release or escape of **Pollutants**, or (3) direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants, or in any way respond to or assess the effects of **Pollutants**.

(d) alleging, arising out of, based upon or attributable to any **Bodily Injury** or **Property Damage**.

(e) alleging, arising out of, based upon or attributable to any:

- (1) fire, smoke, explosion, lightning, wind, water, flood, earthquake, volcanic eruption, tidal wave, landslide, hail, act of God or any other physical event, however caused;
- (2) strikes or similar labor action, war, invasion, act of foreign enemy, hostilities or warlike operations (whether declared or not), civil war, mutiny, civil commotion assuming the proportions of or amounting to a popular rising, military rising, insurrection, rebellion, revolution, military or usurped power, or any action taken to hinder or defend against these actions;
- (3) electrical or mechanical failures of infrastructure not under the control of an **Insured**, including any electrical power interruption, surge, brownout or blackout; provided, however, this Sub-paragraph (3) shall not apply to a **Security Failure** or a **Privacy Event** that is caused by such electrical or mechanical failure;
- (4) failure of telephone lines, data transmission lines or other telecommunications or networking infrastructure not under the control of an **Insured**; provided, however, this Sub-paragraph (4) shall not apply to a **Security Failure** or a **Privacy Event** that is caused by such failure of telephone lines, data transmission lines or other infrastructure comprising or supporting the Internet; or
- (5) satellite failure.

(f) alleging, arising out of, based upon or attributable to any:

- (1) purchase, sale, or offer or solicitation of an offer to purchase or sell securities;
- (2) violation of any securities law, including the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, or any regulation promulgated under the foregoing statutes, or any federal, state or local laws similar to the

- foregoing statutes (including "Blue Sky" laws), whether such law is statutory, regulatory or common law; provided, however, this exclusion does not apply to a **Claim** alleging a **Privacy Event** in violation of Regulation S-P (17 C.F.R. § 248); provided further, however, this exclusion does not apply to a **Claim** alleging a failure to disclose a **Security Failure** or **Privacy Event** in violation of any **Security Breach Notice Law**; or
- (3) violation of the Organized Crime Control Act of 1970 (commonly known as Racketeer Influenced And Corrupt Organizations Act, or "RICO"), as amended, or any regulation promulgated thereunder or any federal, state or local law similar to the foregoing, whether such law is statutory, regulatory or common law;
- (g) alleging, arising out of, based upon or attributable to an **Insured's** employment of any individual or any of an **Insured's** employment practices (including, without limitation, wrongful dismissal, discharge or termination, discrimination, harassment, retaliation or other employment-related claim).
- (h) alleging, arising out of, based upon or attributable to antitrust, unfair competition, restraint of trade, including, without limitation, violations of any local, state or federal laws governing same, or that is brought by or on behalf of the Federal Trade Commission ("FTC") or any other federal, state or local government agency, or foreign government agency; provided, however, solely with respect to unfair competition, and notwithstanding Clause 3. **EXCLUSIONS**, Sub-paragraphs (j)(5) and (j)(6), this Paragraph (h) shall not apply to any **Defense Costs** arising out of a covered **Regulatory Action**.
- (i) brought by or on behalf of:
- (1) any **Insured**;
  - (2) any business entity that is controlled, managed or operated, directly or indirectly, in whole or in part, by an **Insured**; or
  - (3) any parent company, **Subsidiary**, successor or assignee of an **Insured**, or any person or entity affiliated with an **Insured** or such business entity through common **Management Control**;
- provided, however, this exclusion shall not apply to (i) an **Insured** as described in Sub-paragraph (g)(3) of the definition of **Insured**; or (ii) an **Insured** as described in Sub-paragraph (g)(2) of the definition of **Insured** but only to the extent such **Insured** is alleging a **Privacy Event** or a failure to disclose a **Security Failure** or **Privacy Event** in violation of any **Security Breach Notice Law**.
- (j) for any of the following:
- (1) the return of an **Insured's** fees or compensation;
  - (2) any profit or advantage to which an **Insured** is not legally entitled;
  - (3) an **Insured's** expenses or charges, including employee compensation and benefits, overhead, over-charges or cost over-runs;
  - (4) an **Insured's** cost of providing, correcting, re-performing or completing any services;
  - (5) civil or criminal fines or penalties imposed by law against an **Insured** and any matters deemed uninsurable under the law pursuant to which this policy shall be construed; provided, however, this Sub-paragraph (5) shall not apply to any monetary amounts an **Insured** is required by law or has agreed to by settlement to deposit into a consumer redress fund;
  - (6) an **Insured's** costs and expenses of complying with any injunctive or other form of equitable relief;
  - (7) taxes incurred by an **Insured**;
  - (8) the amounts for which an **Insureds** is not financially liable or which are without legal recourse to any **Insured**;
  - (9) amounts an **Insured** agrees to pay pursuant to a contract, including without limitation, liquidated damages, setoffs or penalties.
- (k) alleging, arising out of, based upon or attributable to any obligation an **Insured** has under contract; provided, however, this exclusion shall not apply to:

SECURITY AND PRIVACY COVERAGE SECTION

- (1) the obligation to prevent a **Security Failure** or a **Privacy Event**, including without limitation, whether same is in violation of an implied or statutory standard of care;
  - (2) liability an **Insured** would have in the absence of such contract or agreement; or
  - (3) with respect to a **Privacy Event**, any liability or obligation under a confidentiality or non-disclosure agreement;
- (l) alleging, arising out of, based upon or attributable to any **Security Failure** or **Privacy Event**, or any **Related Acts** thereto, alleged or contained in any **Claim** which has been reported, or in any circumstances of which notice has been given, under any policy of which this **Security and Privacy Coverage Section** is a renewal or replacement or which it may succeed in time.
  - (m) alleging, arising out of, based upon or attributable to any **Security Failure** or **Privacy Event** occurring prior to the **Retroactive Date** or any **Related Acts** thereto, regardless of when such **Related Act** occurs.
  - (n) alleging, arising out of, based upon or attributable to any **Security Failure** or **Privacy Event** occurring prior to the **Continuity Date**, or any **Related Act** thereto (regardless of when such **Related Act** occurs), if, as of the **Continuity Date**, an **Insured** knew or could have reasonably foreseen that such **Security Failure** or a **Privacy Event** did or would result in a **Claim** against an **Insured**.
  - (o) alleging, arising out of, based upon or attributable to any seizure, confiscation, nationalization, or destruction of a **Computer System** by order of any governmental or public authority.
  - (p) for (1) the theft of money or securities from an **Insured**; or (2) the transfer or loss of money or securities from or to an **Insured's** accounts or accounts under an **Insured's** control, including customer accounts. For purposes of this Sub-paragraph (q), the term "accounts" shall include, but are not limited to, deposit, credit, debit, prepaid and securities brokerage accounts.

#### 4. LIMIT OF LIABILITY

The following provisions shall apply in addition to the provisions of Clause 4. **LIMIT OF LIABILITY** of the General Terms and Conditions:

Notwithstanding anything in the policy to the contrary, the maximum liability of the **Insurer** for all **Loss** arising from a **Regulatory Action** shall be the **Regulatory Action Sublimit of Liability** set forth in Item 6 of the Declarations. This amount shall be part of and not in addition to the **Limit of Liability** and any applicable **Sublimit of Liability**.

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**AIG Specialty Insurance Company**

A capital stock company

**SPECIALTY RISK PROTECTOR<sup>®</sup>**  
**MEDIA CONTENT INSURANCE**  
**("MEDIA CONTENT COVERAGE SECTION")**

**This is a Claims Made and Reported Coverage Section and a Third Party Coverage Section**

Notice: Pursuant to Clause 1 of the **General Terms and Conditions**, the **General Terms and Conditions** are incorporated by reference into, made a part of and are expressly applicable to this **Media Content Coverage Section**, unless otherwise explicitly stated to the contrary in the **General Terms and Conditions** or in this **Media Content Coverage Section**.

**1. INSURING AGREEMENTS**

With respect to the **MEDIA CONTENT INSURING AGREEMENT**, the **DEFENSE** provisions and the **SETTLEMENT** provisions of this Clause 1., solely with respect to **Claims** first made against an **Insured** during the **Policy Period** or **Discovery Period** (if applicable) and reported to the **Insurer** pursuant to the terms of this policy, this **Media Content Coverage Section** affords the following coverage:

**MEDIA CONTENT INSURING AGREEMENT**

The **Insurer** shall pay on an **Insured's** behalf all **Loss** in excess of the applicable Retention that such **Insured** is legally obligated to pay resulting from a **Claim** alleging a **Wrongful Act**.

**DEFENSE**

- (a) The **Insurer** has the right and duty to defend a **Suit** for a **Wrongful Act**, even if the **Suit** is groundless, false or fraudulent.
- (b) The **Insurer** has the right to investigate any **Claim**.
- (c) The **Insurer's** duty to defend ends if an **Insured** refuses to consent to a settlement that the **Insurer** recommends pursuant to the **SETTLEMENT** provision below and that the claimant will accept. As a consequence of such **Insured's** refusal, the **Insurer's** liability shall not exceed the amount for which the **Insurer** could have settled such **Claim** had such **Insured** consented, plus **Defense Costs** incurred prior to the date of such refusal, plus 50% of **Defense Costs** incurred with the **Insurer's** prior written consent after the date of such refusal. This Clause shall not apply to any settlement where the total incurred **Loss** does not exceed the applicable Retention amount.

**SETTLEMENT**

- (a) The **Insurer** has the right, with the written consent of an **Insured**, which consent shall not be unreasonably withheld, to settle any **Claim** if the **Insurer** believes that it is proper.
- (b) An **Insured** may settle any **Claim** on behalf of all **Insureds** to which this insurance applies and which are subject to one Retention amount where the total incurred **Loss** does not exceed the Retention amount.

**2. DEFINITIONS**

- (a) "**Bodily Injury**" means physical injury, sickness or disease, and, if arising out of the foregoing, mental anguish, mental injury, shock, humiliation or death at any time.
- (b) "**Claim**" means:

- (1) a written demand for money, services, non-monetary relief or injunctive relief; or
  - (2) a **Suit**.
- (c) "**Defense Costs**" means all reasonable and necessary fees charged by an attorney appointed by the **Insurer** (unless otherwise provided for by this policy) in connection with any **Suit** brought against an **Insured** alleging a **Wrongful Act**, as well as all other reasonable and necessary fees, costs and expenses (including premiums for any appeal bond, attachment bond or similar bond arising out of a covered judgment, but without any obligation to apply for or furnish any such bond) incurred in the defense or investigation of a **Claim** by the **Insurer** or by an **Insured** with the **Insurer's** written consent. **Defense Costs** shall not include: (i) compensation of any natural person **Insured**; or (ii) any fees, costs or expenses incurred prior to the time that a **Claim** is first made against an **Insured**.
- (d) "**Insured**" means:
- (1) a **Company**;
  - (2) any past, present or future officer, director, trustee or employee of a **Company** (and in the event that a **Company** is a partnership, limited liability partnership or limited liability company, then any general or managing partner or principal thereof), but only while acting within the scope of his or her duties in connection with the provision of **Material** for such **Company**;
  - (3) any independent contractors, agents, third-party distributors, licensees and sub-licensees, but only:
    - (i) with respect to **Material** that they provide to a **Company**; and
    - (ii) when such **Company** has, prior to the commission of a **Wrongful Act**, expressly agreed in writing to indemnify and defend such party against liability arising out of such **Wrongful Act**;
  - (4) any person or entity that a **Company** has expressly agreed in writing, prior to the commission of a **Wrongful Act**, to add as an **Insured** under this policy, but only for the **Wrongful Acts** of a **Company**; and
  - (5) any other person or entity listed as **Insured** by endorsement to this policy, but only for the **Wrongful Acts** of a **Company**.
- (e) "**Loss**" means compensatory damages, judgments, settlements, pre-judgment and post-judgment interest and **Defense Costs**, including punitive, exemplary and multiple damages where insurable by the applicable law which most favors coverage for such punitive, exemplary and multiple damages.
- (f) "**Material**" means media content in any form, including, without limitation, advertising and written, printed, video, electronic, digital or digitized content, of:
- (1) broadcasts, including without limitation, broadcasts via television, motion picture, cable, satellite television, radio, wireless devices or the Internet; or
  - (2) publications, including without limitation, publications via newspaper, newsletter, magazine, book and other literary, monograph, brochure, directory, screen play, film script, playwright and video publications.
- (g) "**Pollutants**" means, but is not limited to, any solid, liquid, gaseous, biological, radiological or thermal irritant or contaminant, including smoke, vapor, dust, fibers, mold, spores, fungi, germs, soot, fumes, acids, alkalis, chemicals and waste. "Waste" includes, but is not limited to, materials to be recycled, reconditioned or reclaimed and nuclear materials.
- (h) "**Property Damage**" means damage to, loss of use of or destruction of any tangible property. For purposes of this definition, "tangible property" shall not include electronic data.
- (i) "**Suit**" means a civil proceeding for monetary, non-monetary or injunctive relief, which is commenced by service of a complaint or similar pleading. **Suit** includes a binding arbitration proceeding to which an **Insured** must submit or does submit with the **Insurer's** consent.



- (j) "**Third Party Event**" means any **Wrongful Act**.
- (k) "**Wrongful Act**" means any act, error, omission, negligent supervision of an employee, misstatement or misleading statement by an **Insured** in connection with **Material** occurring on or after the **Retroactive Date** and prior to the end of the **Policy Period** (including without limitation, any of the foregoing conduct in the gathering, collection, broadcast, creation, distribution, exhibition, performance, preparation, printing, production, publication, release, display, research, or serialization of **Material** by an **Insured**) that results solely in:
- (1) infringement of copyright, title, slogan, trademark, trade name, trade dress, mark, service mark, service name, infringement of domain name, deep-linking or framing, including, without limitation, unfair competition in connection with such conduct;
  - (2) plagiarism, piracy or misappropriation or theft of ideas under implied contract or other misappropriation or theft of ideas or information; including, without limitation, unfair competition in connection with such conduct;
  - (3) invasion, infringement or interference with rights of privacy or publicity, false light, public disclosure of private facts, intrusion and commercial appropriation of name, persona or likeness; including, without limitation, emotional distress or mental anguish in connection with such conduct;
  - (4) defamation, libel, slander, product disparagement or trade libel or other tort related to disparagement or harm to character or reputation; including, without limitation, unfair competition, emotional distress or mental anguish in connection with such conduct;
  - (5) wrongful entry or eviction, trespass, eavesdropping or other invasion of the right to private occupancy, or false arrest, detention or imprisonment or malicious prosecution; including, without limitation, any emotional distress or mental anguish in connection with such conduct;
  - (6) negligent or intentional infliction of emotional distress, outrage or *prima facie* tort in connection with **Material**; or
  - (7) **Loss** because a third party, which has no ownership relationship with any **Insured**, acts upon or makes a decision or decisions based on the content of the **Material** disseminated by an **Insured** or with an **Insured's** permission.

### 3. EXCLUSIONS

This policy shall not cover **Loss** in connection with a **Claim** made against an **Insured**:

- (a) alleging, arising out of, based upon or attributable to a dishonest, fraudulent, criminal or malicious act, error or omission, or any intentional or knowing violation of the law; provided, however, the **Insurer** will defend **Suits** that allege any of the foregoing conduct, and that are not otherwise excluded, until there is a final judgment or final adjudication against an **Insured** in a **Suit**, adverse finding of fact against an **Insured** in a binding arbitration proceeding, or plea of guilty or no contest by an **Insured** as to such conduct, at which time the **Insureds** shall reimburse the **Insurer** for **Defense Costs**.
- (b) alleging, arising out of, based upon or attributable to any misappropriation of trade secret or infringement of patent.
- (c) alleging, arising out of, based upon or attributable to any (1) presence of **Pollutants**, (2) the actual or threatened discharge, dispersal, release or escape of **Pollutants**, or (3) direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants, or in any way respond to or assess the effects of **Pollutants**.
- (d) alleging, arising out of, based upon or attributable to any **Bodily Injury** or **Property Damage**.
- (e) alleging, arising out of, based upon or attributable to any:
  - (1) fire, smoke, explosion, lightning, wind, water, flood, earthquake, volcanic eruption, tidal wave, landslide, hail, act of God or any other physical event, however caused;

- (2) strikes or similar labor action, war, invasion, act of foreign enemy, hostilities or warlike operations (whether declared or not), civil war, mutiny, civil commotion assuming the proportions of or amounting to a popular rising, military rising, insurrection, rebellion, revolution, military or usurped power, or any action taken to hinder or defend against these actions;
  - (3) electrical or mechanical failures of infrastructure not under the control of an **Insured**, including any electrical power interruption, surge, brownout or blackout;
  - (4) failure of telephone lines, data transmission lines or other telecommunications or networking infrastructure not under the control of an **Insured**; or
  - (5) satellite failure.
- (f) alleging, arising out of, based upon or attributable to any:
- (1) purchase, sale, or offer or solicitation of an offer to purchase or sell securities;
  - (2) violation of any securities law, including the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, or any regulation promulgated under the foregoing statutes, or any federal, state or local laws similar to the foregoing statutes (including "Blue Sky" laws), whether such law is statutory, regulatory or common law;
  - (3) violation of the Organized Crime Control Act of 1970 (commonly known as Racketeer Influenced And Corrupt Organizations Act, or "RICO"), as amended, or any regulation promulgated thereunder or any federal, state or local law similar to the foregoing, whether such law is statutory, regulatory or common law;
  - (4) antitrust violations, restraint of trade, unfair competition, or violations of the Sherman Act, Clayton Act or the Robinson-Patman Act, as amended; provided, however, that this exclusion shall not apply to unfair competition as referenced in sub-paragraphs (1), (2) or (4) of the definition of **Wrongful Act**; or
  - (5) violation of the Telephone Consumer Protection Act of 1991, as amended.
- (g) alleging, arising out of, based upon or attributable to an **Insured's** employment of any individual or any of an **Insured's** employment practices (including, without limitation, wrongful dismissal, discharge or termination, discrimination, harassment, retaliation or other employment-related claim).
- (h) alleging, arising out of, based upon or attributable to any unfair or deceptive business practices, including, without limitation, violations of any local, state or federal consumer protection laws; provided, however, this exclusion shall not apply to **Claims** in connection with the collection of **Material**.
- (i) brought by or on behalf of:
- (1) any **Insured**;
  - (2) any business entity that is controlled, managed or operated, directly or indirectly, in whole or in part, by an **Insured**; or
  - (3) any parent company, **Subsidiary**, successor or assignee of an **Insured**, or any person or entity affiliated with an **Insured** or such business entity through common **Management Control**;
- provided, however, this exclusion shall not apply to an **Insured** as described in Sub-paragraph (d)(4) or (d)(5) of the definition of **Insured**.
- (j) for any of the following:
- (1) the return of an **Insured's** fees or compensation;
  - (2) any profit or advantage to which an **Insured** is not legally entitled;
  - (3) an **Insured's** expenses or charges, including employee compensation and benefits, overhead, over-charges or cost over-runs;
  - (4) civil or criminal fines or penalties imposed against an **Insured** and any matters deemed uninsurable under the law pursuant to which this policy shall be construed;

- (5) an **Insured's** costs and expenses of complying with any injunctive or other form of equitable relief;
  - (6) taxes incurred by an **Insured**;
  - (7) the amounts for which an **Insured** is not financially liable or which are without legal recourse to any **Insured**;
  - (8) production costs or the cost of recall, reproduction, reprinting, return or correction of **Material** by any person or entity; or
  - (9) amounts an **Insured** agrees to pay pursuant to a contract, including without limitation, liquidated damages, setoffs or penalties.
- (k) alleging, arising out of, based upon or attributable to any obligation that an **Insured** has under a contract, other than liability from a **Wrongful Act** where such liability has been assumed by an **Insured** in the form of a written hold harmless or indemnity agreement that predates the first such **Wrongful Act**.
- (l) alleging, arising out of, based upon or attributable to any **Wrongful Acts**, or any **Related Acts** thereto, alleged or contained in any **Claim** which has been reported, or in any circumstances of which notice has been given, under any policy of which this **Media Content Coverage Section** is a renewal or replacement or which it may succeed in time.
- (m) alleging, arising out of, based upon or attributable to any **Wrongful Act** occurring prior to the **Retroactive Date** or any **Related Act** thereto, regardless of when such **Related Act** occurs.
- (n) alleging, arising out of, based upon or attributable to any **Wrongful Act** occurring prior to the **Continuity Date**, or any **Related Act** thereto (regardless of when such **Related Act** occurs), if, as of the **Continuity Date**, an **Insured** knew or could have reasonably foreseen that such **Wrongful Act** did or would result in a **Claim** against such **Insured**.
- (o) alleging, arising out of, based upon or attributable to any breach of fiduciary duty, responsibility, or obligation in connection with any employee benefit or pension plan, including violations of the responsibilities, obligations or duties imposed upon fiduciaries by the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended, or similar statutory or common law of the United States of America or any state or jurisdiction therein.
- (p) alleging, arising out of, based upon or attributable to (1) false advertising or misrepresentation in advertising of an **Insured's** products or services, (2) any failure of goods, products or services to conform with an advertised quality or performance, or (3) any infringement of trademark or trade dress by any goods, products or services displayed or contained in any **Material**.
- (q) brought by or on behalf of: (i) ASCAP, SESAC, BMI, RIAA or other music licensing organizations; (ii) the Federal Trade Commission; (iii) the Department of Health and Human Services or Office of Civil Rights; (iv) the Federal Communications Commission; or (v) any other federal, state, local or foreign government, agency or office.
- (r) brought by or on behalf of any independent contractor, third-party distributor, licensee, sub-licensee, joint venturer, venture partner, any employee of the foregoing, or any employee or agent of an **Insured** alleging, arising out of, based upon or attributable to disputes over the (i) ownership or exercise of rights in **Material**; or (ii) services supplied by such independent contractor, third-party distributor, licensee, sub-licensee, joint venturer, venture partner or employee or agent.
- (s) alleging, arising out of, based upon or attributable to any infringement of copyright related to software, source code or software license; provided, however, that this exclusion shall not apply to any otherwise covered **Claim** alleging an infringement of copyright, trademark or servicemark with respect to **Material** generated or displayed in a publication or broadcast by the use of software.

MEDIA CONTENT COVERAGE SECTION

- (t) alleging, arising out of, based upon or attributable to the failure to protect information used for authenticating or identifying an **Insured's** customers, vendors, suppliers or independent contractors in the normal course of an **Insured's** business.
- (u) alleging, arising out of, based upon or attributable to any:
  - (1) accounting or recovery of profits, royalties, fees or other monies claimed to be due from an **Insured**, or any **Claim** brought by any such party against an **Insured** claiming excessive or unwarranted fees, compensation or charges of any kind made by an **Insured**; or
  - (2) licensing fees or royalties ordered, directed or agreed to be paid by an **Insured** pursuant to a judgment, arbitration award, settlement agreement or similar order or agreement, for the continued use of a person or entity's copyright, title, slogan, trademark, trade name, trade dress, service mark, service name, or other intellectual property right.

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**ENDORSEMENT# 1**

This endorsement, effective at *November 1, 2013* forms a part of  
Policy number *01-582-26-31*  
Issued to: *LABORATORY CORPORATION OF AMERICA HOLDINGS*

By: *AIG Specialty Insurance Company*

**CYBEREDGE RISKTOOL ENDORSEMENT**

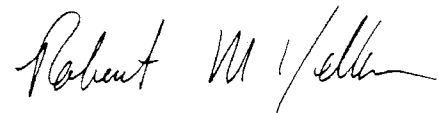
In consideration of your purchase of this policy, it is hereby understood and agreed that the Named Entity may subscribe to the CyberEdge RiskTool and AutoShun® loss control services.

The **Named Entity** can begin the process of registering and activating the CyberEdge RiskTool and/or the AutoShun loss control services by visiting the following site: [www.aig.com/cyberedgeregistration](http://www.aig.com/cyberedgeregistration).

CyberEdge RiskTool is a web-based platform that can assist in streamlining a company's risk management process. CyberEdge RiskTool is pre-populated with training modules to aid in educating staff on security protocols and preventing human error which might cause future security breaches. The platform is also customizable and can be tailored to a business's risk management needs.

AutoShun is a device designed to provide an additional layer of security against various forms of malware. The AutoShun thwarts attacks by blocking inbound and outbound communications with known "bad" IP addresses. AutoShun works with RiskTool to provide the user with real time information on blocked IP addresses.

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**



AUTHORIZED REPRESENTATIVE

Or Countersignature (In states where applicable)

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**END 001**

ENDORSEMENT# 2

This endorsement, effective *November 1, 2013* forms a part of  
policy number *01-582-26-31*  
issued to *LABORATORY CORPORATION OF AMERICA HOLDINGS*

by *AIG Specialty Insurance Company*

**CHOICE OF PANEL COUNSEL ENDORSEMENT**

This endorsement amends the **General Terms and Conditions**.

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

- A. With regard to any **Claim** for which an **Insured** seeks coverage, the initial choice of counsel ("**Chosen Counsel**") shall be made by such **Insured** from the **Insurer's** list of panel firms, which list is available upon request by an **Insured**, provided, however, that any and all **Defense Costs** of **Chosen Counsel** shall be paid and satisfied on an ongoing basis by the **Insureds** until all applicable Retention amounts have been satisfied.
- B. With regard to any **Claim** for which an **Insured** seeks coverage, such **Insured** agrees that as a condition precedent to coverage for **Defense Costs** incurred through **Chosen Counsel** in excess of the applicable Retention amount, such **Insured** and **Chosen Counsel** must comply with the **Insurer's** Litigation Management Guidelines (the "Guidelines"), which are available upon request by an **Insured**. The **Insureds** understands and agrees that the Guidelines contain reasonable and necessary reporting and billing procedures to be followed by **Chosen Counsel**, including, without limitation:
1. development of a litigation plan and litigation budget;
  2. pre-approved rates for services;
  3. pre-approval by the **Insurer** before designated legal services are provided; and
  4. the require format for submitting **Defense Costs** to the **Insurer**.

The Guidelines also require that **Chosen Counsel** work closely and communicate regularly with the **Insurer's** assigned claims professional in coordinating defense efforts and that **Chosen Counsel** apprise the **Insurer** on a regular and timely basis as to significant case developments.

- C. In the event **Insured(s)** cannot select legal counsel from the list of **Chosen Counsel** due to: (1) no firm is available in the jurisdiction in which such **Claim** is brought; (2) an actual conflict of interest; or (3) other circumstances in which the use of unlisted counsel is both reasonable and necessary, the **Insurer** and the **Insured(s)** shall jointly agree upon counsel who will defend the **Insured(s)** in such matter. If the **Insurer** and the **Insured(s)** are unable to agree upon selection of defense counsel, the **Insurer** shall select defense counsel.
- D. Fees, costs, charges, billings and any other expense incurred through any law firm

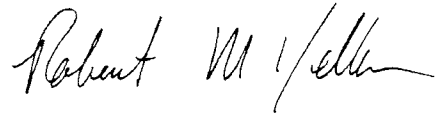
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**END 002**

ENDORSEMENT# 2 (continued)

or other service provider, other than **Chosen Counsel** or a firm chosen pursuant to paragraph C above, shall not be recoverable under this policy as **Defense Costs** or otherwise.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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AUTHORIZED REPRESENTATIVE

Or Countersignature (In states where applicable)

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**END 002**

ENDORSEMENT# 3

This endorsement, effective *November 1, 2013* forms a part of  
policy number *01-582-26-31*  
issued to *LABORATORY CORPORATION OF AMERICA HOLDINGS*

by *AIG Specialty Insurance Company*

**E-DISCOVERY CONSULTANT SERVICES COVERAGE ENDORSEMENT**

**This endorsement amends the General Terms and Conditions.**

In consideration of the premium charged, it is hereby understood and agreed that a **Company** may elect coverage for **E-Discovery Consultant Services**. To provide such coverage, this policy is amended as follows:

**1. E-DISCOVERY CONSULTANT SERVICES COVERAGE**

The **Insurer** shall pay on a **Company's** behalf, the **E-Discovery Loss** of such **Company** arising from a **Suit** made against any **Insured** for a covered **Third Party Event**, for which **E-Discovery** is required or becomes necessary.

A **Company** may select a pre-approved **E-Consultant Firm** to perform **E-Discovery Consultant Services**, without further approval by the **Insurer**, at such time that it becomes necessary for such **Company** (or a natural person **Insured** employed by or affiliated with such **Company**) to respond to a discovery request.

Coverage for **E-Discovery Loss**, up to the **E-Discovery Sublimit of Liability**, shall not be subject to any Retention amount, provided that payment of any **E-Discovery Loss** pursuant to this endorsement shall not waive any rights of the **Insurer** under this policy or at law.

2. Clause 4. **LIMIT OF LIABILITY** of the **General Terms and Conditions** is amended by adding the following paragraph to the end thereof:

The **Insurer's** maximum liability for all **E-Discovery Loss**, in the aggregate, arising from all **Suits** covered under this policy, shall be \$25,000 (the "**E-Discovery Sublimit of Liability**"). This **E-Discovery Sublimit of Liability** shall be part of and not in addition to the **Limit of Liability** and will in no way serve to increase the **Limit of Liability**.

E-Discovery Consultant Services shall conclude once such services are no longer required or necessary or when the E-Discovery Sublimit of Liability has been exhausted, whichever comes first.

It is further understood and agreed that the coverage provided under this endorsement shall not waive the Insurer's obligation to pay Defense Costs (inclusive but not limited to Defense Costs for E-Discovery Consultant Services) subject to all other terms, conditions and exclusions of this policy, including any purchased Coverage Sections.

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**END 003**



**ENDORSEMENT# 3** (continued)

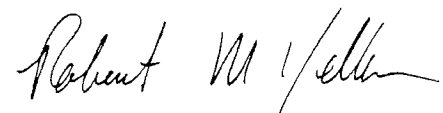
3. Solely with respect to the coverage afforded by this endorsement, the following definitions shall apply:

- (a) "**E-Consultant Firm**" means any firm on the **Insurer's** list of approved firms. The list of approved **E-Consultant Firms** is accessible at <http://www.aig.com/us/panelcounseldirectory> by clicking on the link for "e-Consultant Panel Members."
- (b) "**E-Discovery**" means the development, collection, storage, organization, cataloging, preservation and/or production of electronically stored information.
- (c) "**E-Discovery Loss**" means the reasonable and necessary consulting fees for the **E-Discovery Consultant Services** provided solely to a **Company** by an **E-Consultant Firm**. Provided, however, **E-Discovery Loss** shall not include any costs of discovery other than **E-Discovery Loss**.
- (d) "**E-Discovery Consultant Services**" means solely the following services performed by an **E-Consultant Firm**:
  - 1. assisting the **Insured** with managing and minimizing the internal and external costs associated with **E-Discovery**;
  - 2. assisting the **Insured** in developing an **E-Discovery** strategy which may include interviewing qualified and cost effective **E-Discovery** vendors; and
  - 3. serving as project manager, advisor and/or consultant to the **Insured**, defense counsel and the **Insurer** in executing and monitoring the **E-Discovery** strategy.**E-Discovery Consultant Services** also includes any other services provided by the **E-Consultant Firm** that the **Insured**, **Insurer** and **E-Consultant Firm** agree are reasonable and necessary given the circumstances of a **Suit**.

4. Clause 5. RETENTION of the **General Terms and Conditions** is amended to include the following provision at the end thereof:

No Retention shall apply to **E-Discovery Loss** covered under this endorsement.

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**



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**END 003**

**ENDORSEMENT# 4**

This endorsement, effective *November 1, 2013* forms a part of  
policy number *01-582-26-31*  
issued to *LABORATORY CORPORATION OF AMERICA HOLDINGS*

by *AIG Specialty Insurance Company*

**EVENT RESPONSE/ELECTRONIC DATA SUBLIMITS ENDORSEMENT**

This endorsement amends the **Event Management Coverage Section**.

In consideration of the premium charged, it is hereby understood and agreed that the **Event Management Coverage Section** is amended as follows:

1. The following definitions are added to Clause 2. **DEFINITIONS**:  
Sub(a) **"Electronic Data Sublimit"** is *\$10,000,000*  
Sub(b) **"Event Response Sublimit"** is *\$5,000,000*
2. The following clause is added to the end of the **Event Management Coverage Section**:

**COVERAGE SECTION SUBLIMITS OF INSURANCE**

Notwithstanding anything in the policy to the contrary:

- (a) The **Electronic Data Sublimit** is the **Insurer's** maximum liability for **Loss** incurred:
  - (1) to restore, recreate or recollect **Electronic Data**; and
  - (2) to determine whether **Electronic Data** can or cannot be restored, recollected or recreated.
- (b) The **Event Response Sublimit** is the **Insurer's** maximum liability for **Loss** incurred:
  - (1) to conduct an investigation (including a forensic investigation) to determine the cause of the **Security Failure** or **Privacy Event**;
  - (2) for a public relations firm, crisis management firm or law firm agreed to by the **Insurer** to advise an **Insured** on minimizing the harm to such **Insured**, including, without limitation, maintaining and restoring public confidence in such **Insured**;
  - (3) to notify those whose **Confidential Information** is the subject of the **Security Failure** or **Privacy Event** and advise of any available remedy in connection with the **Security Failure** or **Privacy Event**, including, without limitation, those expenses and costs for printing, advertising and mailing of materials;
  - (4) for identity theft education and assistance and credit file or identity monitoring; and
  - (5) for any other services approved by the **Insurer** at the **Insurer's** sole and absolute discretion;

The **Electronic Data Sublimit** and the **Event Response Sublimit** are each part of and not in addition to the **Limit of Liability** and the **Sublimit of Liability** for the **Event**

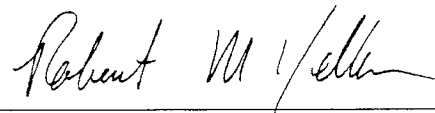
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**END 004**

**ENDORSEMENT# 4** (continued)

**Management Coverage Section**, and shall in no way serve to increase the **Limit of Liability** or the **Sublimit of Liability** for the **Event Management Coverage Section**.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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**END 004**

**ENDORSEMENT# 5**

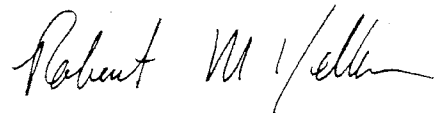
This endorsement, effective *November 1, 2013* forms a part of  
policy number *01-582-26-31*  
issued to *LABORATORY CORPORATION OF AMERICA HOLDINGS*

by *AIG Specialty Insurance Company*

**MEDICAL MALPRACTICE EXCLUSION ENDORSEMENT**  
**This endorsement amends all Coverage Sections of the policy.**

In consideration of the premium charged, it is hereby understood and agreed that this policy shall not cover **Loss** in connection with a **Claim** made against an **Insured** alleging, arising out of, based upon or in connection with medical malpractice, including, but not limited to, the rendering of or failure to render medical professional services, treatment or advice.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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**END 005**

ENDORSEMENT# 6

This endorsement, effective *November 1, 2013* forms a part of  
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by *AIG Specialty Insurance Company*

**FINES AND PENALTIES COVERAGE ENDORSEMENT  
(SUBLIMIT)**

**This endorsement amends the Security and Privacy Coverage Section.**

In consideration of the premium charged, it is hereby understood and agreed that the **Security and Privacy Coverage Section** is amended as follows:

1. In Clause 2. **DEFINITIONS**, paragraph (h), the definition of "Loss," is amended to include the following sentence at the end thereof:

**Loss also includes Fines and Penalties.**

2. In Clause 3. **EXCLUSIONS**, paragraph (j) is amended by deleting subparagraph (5) thereof in its entirety and replacing it with the following:

(5) civil or criminal fines or penalties imposed by law against an **Insured** and any matters deemed uninsurable under the law pursuant to which this policy shall be construed, provided, however, this subparagraph (5) shall not apply to any:

(a) monetary amounts an **Insured** is required by law or has agreed to by settlement to deposit into a consumer redress fund; or

(b) **Fines and Penalties.**

3. Clause 4. **LIMIT OF LIABILITY**, is deleted in its entirety and replaced with the following:

**4. LIMIT OF LIABILITY**

The following provisions shall apply in addition to the provisions of Clause 4. **LIMIT OF LIABILITY** of the **General Terms and Conditions**:

(a) Notwithstanding anything in the policy to the contrary, the maximum liability of the **Insurer** for all **Loss** arising from a **Regulatory Action** shall be the **Regulatory Action Sublimit of Liability** set forth in Item 6 of the Declarations. This amount shall be part of and not in addition to the **Limit of Liability** and any applicable **Sublimit of Liability**.

(b) Notwithstanding anything in the policy to the contrary, the maximum liability of the **Insurer**, in the aggregate, for **Fines and Penalties** shall be \$5,000,000 (the "**Fines and Penalties Sublimit of Liability**").

**ENDORSEMENT# 6** (Continued)

This endorsement, effective *November 1, 2013* forms a part of  
policy number *01-582-26-31*  
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The **Fines and Penalties Sublimit of Liability** shall be part of and not in addition to the **Regulatory Action Sublimit of Liability** set forth in Item 6 of the Declarations, the **Limit of Liability** and any applicable **Sublimit of Liability**.

4. For the purposes of this endorsement, the term "**Fines and Penalties**" means civil fines or penalties imposed by a governmental agency and arising from a **Regulatory Action**, unless the civil fine or penalty is uninsurable under the law of the jurisdiction imposing such fine or penalty.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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**END 6**

ENDORSEMENT# 7

This endorsement, effective *November 1, 2013* forms a part of  
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issued to *LABORATORY CORPORATION OF AMERICA HOLDINGS*

by *AIG Specialty Insurance Company*

**SYSTEM FAILURE COVERAGE ENDORSEMENT**

This endorsement amends the **Network Interruption Coverage Section**.

**ENDORSEMENT SCHEDULE**

System Failure Sublimit	\$3,000,000
-------------------------	-------------

In consideration of the premium charged, it is hereby understood and agreed that the **Network Interruption Coverage Section** of the policy is amended as follows:

1. Clause 1. **INSURING AGREEMENTS** is deleted in its entirety and replaced with the following:

**1. INSURING AGREEMENTS**

With respect to the **NETWORK INTERRUPTION INSURING AGREEMENT** of this Clause 1., solely with respect to a **Security Failure** or **System Failure** first occurring during the **Policy Period** and reported to the **Insurer** pursuant to the terms of this policy, this **Network Interruption Coverage Section** affords the following coverage:

**NETWORK INTERRUPTION INSURING AGREEMENT**

The **Insurer** shall pay all **Loss** in excess of the **Remaining Retention** that an **Insured** incurs after the **Waiting Hours Period** and solely as a result of a **Security Failure** or a **System Failure**.

2. In Clause 2. **DEFINITIONS**, paragraph (f), the definition of "**Material Interruption**," is deleted in its entirety and replaced with the following:

(f) "**Material Interruption**" means the actual and measurable interruption or suspension of an **Insured's** business directly caused by a **Security Failure** or a **System Failure**.

3. Solely with respect to the coverage afforded under this endorsement, in Clause 2. **DEFINITIONS**, paragraph (e), the definition of "**Loss**" is deleted in its entirety and replaced with the following:

ENDORSEMENT# 7 (Continued)

This endorsement, effective *November 1, 2013* forms a part of  
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(e) "**Loss**" means the below listed costs incurred within 120 days after the end of a **Material Interruption** (or 120 days after the **Material Interruption** would have ended if an **Insured** exercised due diligence and dispatch):

- (1) costs that would not have been incurred but for a **Material Interruption**; and
- (2) the sum of all of following, which shall be calculated on an hourly basis:
  - (a) Net Income (Net Profit or Loss before income taxes) that would have been earned; and
  - (b) Continuing normal operating expenses incurred, including payroll; provided, however, such sum shall not exceed ten percent (10%) of the **System Failure Sublimit** during any one hour period and any amount in excess of ten percent (10%) of the **System Failure Sublimit** during any one hour period shall not be **Loss**.

With respect to subparagraphs (1) and (2) above, **Loss** shall be reduced by any amounts recovered by an **Insured** (including, without limitation, the value of any service credits provided to an **Insured**) from any third party (including, without limitation, any **Outsource Provider**) in connection with or as a result of a **System Failure**.

4. In Clause 2. **DEFINITIONS**, paragraph (c), the definition of "**First Party Event**," is deleted in its entirety and replaced with the following:

(c) "**First Party Event**" means any **Security Failure** or **System Failure**

5. Clause 2. **DEFINITIONS** is amended to include the following paragraphs at the end thereof:

SF(a) "**System Failure**" means any unintentional and unplanned outage of a **Computer System**.

SF(b) "**System Failure Sublimit**" means the amount stated in the Endorsement Schedule above.



ENDORSEMENT# 7 (Continued)

This endorsement, effective *November 1, 2013* forms a part of  
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6. In Clause 2. **DEFINITIONS**, paragraph (l), the definition of "**Waiting Hours Period**," is amended to include the following

With respect to the coverage afforded by this System Failure Coverage Endorsement for any **Material Interruption** resulting solely from a **System Failure**, the **Waiting Hours Period** shall equal twelve (12) hours and not the number of hours set forth in Item 6 of the Declarations.

7. In Clause 3. **EXCLUSIONS**, paragraph (g) is deleted in its entirety and replaced with the following:

(g) alleging, arising out of, based upon or attributable to any **System Failure**, **Security Failure** or **Related Act** thereto which has been reported, or in any circumstances of which notice has been given, under any policy of which this **Network Interruption Coverage Section** is a renewal or replacement or which it may succeed in time.

8. In Clause 3. **EXCLUSIONS**, sub-paragraphs (i)(3) and (i)(5) are deleted in their entirety.

9. Clause 3. **EXCLUSIONS** is amended to include the following at the end thereof:

The **Insurer** shall not be liable to make any payment for **Loss**:

SF(a) alleging, arising out of, based upon or attributable to any electrical or mechanical failure of infrastructure, other than a **Computer System** and regardless of whether or not it is controlled by an **Insured**, including any electrical power interruption, surge, brownout or blackout.

SF(b) alleging, arising out of, based upon or attributable to contractual penalties or consequential damages.

SF(c) for the cost of (1) updating, upgrading, enhancing or replacing any **Computer System** to a level beyond that which existed prior to sustaining **Loss**; or (2) removing software program errors or vulnerabilities.

10. Clause 4. **LIMIT OF LIABILITY** is deleted in its entirety and replaced with the following:

ENDORSEMENT# 7 (Continued)

This endorsement, effective *November 1, 2013* forms a part of  
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**4. LIMIT OF LIABILITY**

The following provisions shall apply in addition to the provisions of Clause 4. **LIMIT OF LIABILITY** of the **General Terms and Conditions**:

Notwithstanding anything in the policy to the contrary:

- (a) the maximum liability of the **Insurer** for all **Loss** arising from all **System Failures** is the **System Failure Sublimit** set forth in the Endorsement Schedule above. The **System Failure Sublimit** is part of, and not in addition to, the **Limit of Liability** and the **Sublimit of Liability** for the **Network Interruption Coverage Section**; and
- (b) the maximum liability of the **Insurer** for all **Loss** arising from a **Security Failure** or **System Failure** of the **Computer System** of an **Outsource Provider** shall be \$1,000,000. This amount shall be part of and not in addition to the **Limit of Liability** and any applicable **Sublimit of Liability**.

11. Clause 7. **NET PROFIT CALCULATIONS** is deleted in its entirety and replaced with the following:

**7. NET PROFIT CALCULATIONS**

In determining the amount of net profit (or net loss) and charges and expenses covered hereunder for the purpose of ascertaining the amount of **Loss** (and otherwise) under this **Network Interruption Coverage Section**, due consideration shall be given to the prior experience of an **Insured's** business before the beginning of the **Security Failure** or **System Failure** and to the probable business an **Insured** could have performed had no **Security Failure** or **System Failure** occurred. Provided, however, that such net profit (or net loss) calculations shall not include, and this policy shall not cover, net income that would likely have been earned as a result of an increase in volume of business due to favorable business conditions caused by the impact of **Security Failures** or **System Failures** on other businesses. All such net profit (or net loss) and charges and expenses shall be calculated on an hourly basis and based on such an **Insured's** actual net profit (or net loss) and charges and expenses.

ALL OTHER TERMS CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED



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**END 7**

ENDORSEMENT# 8

This endorsement, effective *November 1, 2013* forms a part of  
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issued to *LABORATORY CORPORATION OF AMERICA HOLDINGS*

by *AIG Specialty Insurance Company*

**NOTICE PROVISION AMENDATORY ENDORSEMENT**

**This endorsement amends the General Terms and Conditions.**


In consideration of the premium charged, it is hereby understood and agreed that in Clause 6. **NOTICE** of the **General Terms and Conditions**, paragraph (a) is deleted in its entirety and replaced with the following:

- (a) The **Insureds** shall, as a condition precedent to the obligations of the **Insurer** under this policy, give written notice to the **Insurer** of any **Claim** made against an **Insured** or a **First Party Event** as soon as practicable after:
- (1) any non-administrative personnel in a **Company's** office of the: (i) Chief Executive Officer, (ii) Chief Financial Officer, (iii) Chief Security Officer, (iv) Chief Technology Officer, (v) Chief Information Officer, (vi) Risk Manager or (vii) General Counsel; (or equivalent positions) first becomes aware of the **Claim**; or
  - (2) any **First Party Event** commences or, solely with respect to a **Discovery Coverage Section**, is discovered.

Notwithstanding the foregoing and regardless of whether any personnel described in (1) above has become aware, in all events each **Claim** under a **Claims-Made and Reported Coverage Section** must be reported no later than either:

- (1) in the event this policy is renewed, sixty (60) days after the end of the **Policy Period**; or
- (2) the end of any applicable **Discovery Period**.

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**



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**END 8**

ENDORSEMENT# 9

This endorsement, effective *November 1, 2013* forms a part of  
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by *AIG Specialty Insurance Company*

**PCI-DSS ASSESSMENT COVERAGE ENDORSEMENT**

This endorsement amends the **Security and Privacy Coverage Section**.

In consideration of the premium charged, it is hereby understood and agreed that the **Security and Privacy Coverage Section** of the policy is amended as follows:

1. Clause **2. DEFINITIONS** is amended by appending the following paragraphs at the end thereof:

PCI(a) "**PCI-DSS Assessment**" means any written demand received by an **Insured** from a **Card Association** or **Acquiring Bank** for a monetary assessment of a fine or penalty due to an **Insured's** non-compliance with **PCI Data Security Standards** resulting from a **Security Failure** or **Privacy Event**.

PCI(b) "**Acquiring Bank**" means any bank which processes a merchant's **Credit Card** transactions and credits those transactions to a merchant's account.

PCI(c) "**Credit Card**" means credit cards, debit cards, stored value cards and pre-funded cards.

PCI(d) "**Card Association**" means MasterCard, VISA, Discover, American Express, or JCB.

PCI(e) "**PCI Data Security Standards (PCI-DSS)**" means generally accepted and published Payment Card Industry standards for data security, including but not limited to the following:

- (1) Install and maintain a firewall configuration to protect cardholder data;
- (2) Do not use vendor-supplied defaults for system passwords and other security parameters;
- (3) Protect stored cardholder data;
- (4) Encrypt transmission of cardholder data across open, public networks;
- (5) Use and regularly update anti-virus software;
- (6) Develop and maintain secure systems and applications;
- (7) Restrict access to cardholder data by business need-to-know;
- (8) Assign a unique ID to each person with computer access;
- (9) Restrict physical access to cardholder data;
- (10) Track and monitor all access to network resources and cardholder data;
- (11) Regularly test security systems and processes; and
- (12) Maintain a policy that addresses information.

2. In Clause **3. EXCLUSIONS**, Sub-Paragraph (j)(9) is deleted in its entirety and replaced with the following:

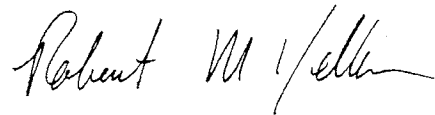
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**END 009**

**ENDORSEMENT# 9** (continued)

- (9) amounts an **Insured** agrees to pay pursuant to a contract, including without limitation, liquidated damages, setoffs or penalties; provided, however, this exclusion shall not preclude coverage for any **PCI-DSS Assessment**.
3. Solely with respect to the coverage afforded under this endorsement, the maximum liability of the **Insurer** for all **Loss** arising from a **Claim** for a **PCI-DSS Assessment** shall be **\$3,000,000**. This amount shall be part of and not in addition to the **Limit of Liability** or any applicable **Sublimit of Liability** set forth in the Declarations.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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**END 009**

ENDORSEMENT# 10

This endorsement, effective *November 1, 2013* forms a part of  
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by *AIG Specialty Insurance Company*

**COMPUTER SYSTEM DEFINITION AMENDATORY ENDORSEMENT  
(CLOUD COMPUTING COVERAGE)**

This endorsement modifies insurance provided under the following:

**Specialty Risk Protector®  
Security and Privacy Coverage Section  
Event Management Coverage Section**

In consideration of the premium charged, it is hereby understood and agreed that the definition of "**Computer System**" in both paragraph 2(c) of the **Security and Privacy Coverage Section** and paragraph 2(b) of the **Event Management Coverage Section** is deleted in its entirety and replaced with the following:

"**Computer System**" means any computer hardware, software or any components thereof that are linked together through a network of two or more devices accessible through the Internet or internal network or that are connected through data storage or other peripheral devices, and are:

- (1) under the ownership, operation or control of, or leased by, a **Company**; or
- (2) operated by a third party for the purpose of providing hosted computer infrastructure or computing platforms to a **Company** as provided in a written contract between such third party and a **Company**, including, without limitation, cloud computing services provided on an Infrastructure as a Service (IaaS) or Platform as a Service (PaaS) model.

"**Computer System**" does not include any cloud computing services provided on a Software as a Service (SaaS) model or any other application services hosted on a system, infrastructure and platform that is not owned, operated or controlled by a **Company**.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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ENDORSEMENT# 11

This endorsement, effective *November 1, 2013* forms a part of  
policy number *01-582-26-31*  
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by *AIG Specialty Insurance Company*

**CONFIDENTIAL INFORMATION DEFINITION AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:

**Specialty Risk Protector®  
Security and Privacy Coverage Section  
Event Management Coverage Section**

In consideration of the premium charged, it is hereby understood and agreed that the definition of "**Confidential Information**" in paragraph 2(d) of the **Security and Privacy Coverage Section** and in paragraph 2(c) in the **Event Management Coverage Section** is deleted in its entirety and replaced with the following:

"**Confidential Information**" means any of the following in a **Company's** or **Information Holder's** care, custody or control or for which a **Company** or **Information Holder** is legally responsible:

- (1) information from which an individual may be uniquely and reliably identified or contacted, including, without limitation, an individual's name, address, telephone number, social security number, account relationships, account numbers, account balances, account histories and passwords;
- (2) information concerning an individual that would be considered "nonpublic personal information" within the meaning of Title V of the Gramm-Leach Bliley Act of 1999 (Public Law 106-102, 113 Stat. 1338) (as amended) and its implementing regulations, or protected personal information under any similar federal, state, local or foreign law;
- (3) information concerning an individual that would be considered "protected health information" or "electronic protected health information" within the Health Insurance Portability and Accountability Act of 1996 (as amended) (HIPAA) or the Health Information Technology for Economic and Clinical Health Act (HITECH Act), and their implementing regulations, or protected health-related information under any similar federal, state, local or foreign law;
- (4) information used for authenticating customers for normal business transactions;
- (5) any third party's trade secrets, data, designs, interpretations, forecasts, formulas, methods, practices, processes, records, reports or other item of information that is not available to the general public.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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**END 11**

ENDORSEMENT# 12

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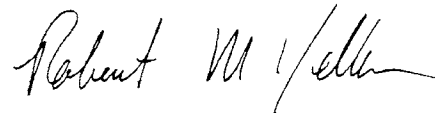
**RETENTION AMENDATORY ENDORSEMENT**

**This endorsement amends the General Terms and Conditions.**

In consideration of the premium charged, it is hereby understood and agreed that in Clause 5. RETENTION of the General Terms and Conditions, paragraphs (a), (b) and (c) are deleted in their entirety and replaced with the following

**If a First Party Event or a Third Party Event and any Related Acts trigger coverage under more than one Coverage Section, the highest applicable Retention amount shall apply to all Loss arising out of such First Party Event or Third Party Event and all Related Acts.**

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**



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**END 012**



**ENDORSEMENT# 13**

This endorsement, effective *November 1, 2013* forms a part of  
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issued to *LABORATORY CORPORATION OF AMERICA HOLDINGS*

by *AIG Specialty Insurance Company*

**"WRONGFUL ACT" DEFINITION AMENDATORY ENDORSEMENT**

**This endorsement amends the Media Content Coverage Section.**

In consideration of the premium charged, it is hereby understood and agreed that in Clause 2. DEFINITIONS, Paragraph (k), definition of "**Wrongful Act**," Sub-paragraph (7) is deleted in its entirety.

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**



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**END 013**

**ENDORSEMENT# 14**

This endorsement, effective *November 1, 2013* forms a part of  
policy number *01-582-26-31*  
issued to *LABORATORY CORPORATION OF AMERICA HOLDINGS*

by *AIG Specialty Insurance Company*

**NOTICE OF CLAIM  
(REPORTING BY E-MAIL)**

In consideration of the premium charged, it is hereby understood and agreed as follows:

1. *Email Reporting of Claims:* In addition to the postal address set forth for any Notice of Claim Reporting under this policy, such notice may also be given in writing pursuant to the policy's other terms and conditions to the Insurer by email at the following email address:

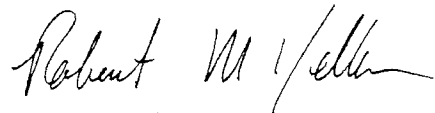
c-claim@AIG.com

Your email must reference the policy number for this policy. The date of the Insurer's receipt of the emailed notice shall constitute the date of notice.

In addition to Notice of Claim Reporting via email, notice may also be given to the Insurer by mailing such notice to: AIG, Financial Lines Claims, P.O. Box 25947, Shawnee Mission, KS 66225 or faxing such notice to (866) 227- 1750.

2. *Definitions:* For this endorsement only, the following definitions shall apply:
  - (a) "Insurer" means the "Insurer," "Underwriter" or "Company" or other name specifically ascribed in this policy as the insurance company or underwriter for this policy.
  - (b) "Notice of Claim Reporting" means "notice of claim/circumstance," "notice of loss" or other reference in the policy designated for reporting of claims, loss or occurrences or situations that may give rise or result in loss under this policy.
  - (c) "Policy" means the policy, bond or other insurance product to which this endorsement is attached.
3. This endorsement does not apply to any Kidnap & Ransom/Extortion Coverage Section, if any, provided by this policy.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



AUTHORIZED REPRESENTATIVE

Or Countersignature (In states where applicable)

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**END 014**

ENDORSEMENT# 15

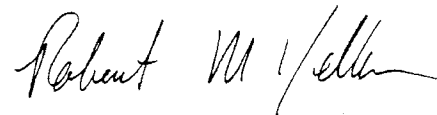
This endorsement, effective *November 1, 2013* forms a part of  
policy number *01-582-26-31*  
issued to *LABORATORY CORPORATION OF AMERICA HOLDINGS*

by *AIG Specialty Insurance Company*

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**COVERAGE TERRITORY ENDORSEMENT**

Payment of loss under this policy shall only be made in full compliance with all United States of America economic or trade sanction laws or regulations, including, but not limited to, sanctions, laws and regulations administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC").



AUTHORIZED REPRESENTATIVE

Or Countersignature (In states where applicable)

© All rights reserved.

**END 015**

**ENDORSEMENT# 16**

This endorsement, effective *November 1, 2013* forms a part of  
 policy number *01-582-26-31*  
 issued to *LABORATORY CORPORATION OF AMERICA HOLDINGS*

by *AIG Specialty Insurance Company*

## FORMS INDEX ENDORSEMENT

The contents of the Policy is comprised of the following forms:

FORM NUMBER	EDITION DATE	FORM TITLE
101011	05/09	SRP POLICY DECLARATIONS (ASIC)
101014	11/09	SRP POLICY WORDING NONADMITTED
101016	11/09	SRP CRISIS FUND COVERAGE SECTION
101017	05/09	SRP CYBER EXTORTION COVERAGE SECTION
101018	11/09	SRP EVENT MANAGEMENT COVERAGE SECTION
101021	11/09	SRP NETWORK INTERRUPTION COVERAGE SECTION
101024	11/09	SRP SECURITY AND PRIVACY COVERAGE SECTION
101019	11/09	SRP MEDIA CONTENT COVERAGE SECTION (CLAIMS MADE)
113428	04/13	CYBER EDGE RISK TOOL ENDORSEMENT
103452	11/09	CHOICE OF PANEL COUNSEL ENDORSEMENT
107376	11/10	E-DISCOVERY CONSULTANT SERVICES COVERAGE ENDORSEMENT
101660	11/10	EVENT RESPONSE/ELECTRONIC DATA SUBLIMITS ENDORSEMENT (EM)
101654	06/09	MEDICAL MALPRACTICE EXCLUSION ENDORSEMENT
MNSCPT		FINES AND PENALTIES COVERAGE ENDORSEMENT
MNSCPT		SYSTEM FAILURE COVERAGE ENDORSEMENT
MNSCPT		NOTICE PROVISION AMENDATORY ENDORSEMENT
105170	04/10	PCI-DSS ASSESSMENT COVERAGE ENDORSEMENT
110311	06/12	COMPUTER SYSTEM DEFINITION AMENDATORY ENDORSEMENT
110310	06/12	CONFIDENTIAL INFORMATION DEFINITION AMENDATORY ENDORSEMENT
105565	05/10	RETENTION AMENDATORY ENDORSEMENT
107337	11/10	WRONGFUL ACT DEFINITION AMENDATORY ENDORSEMENT
99758	08/08	NOTICE OF CLAIM (REPORTING BY E-MAIL)
89644	07/05	COVERAGE TERRITORY ENDORSEMENT (OFAC)

**END 016**

**ENDORSEMENT# 16**

This endorsement, effective *November 1, 2013* forms a part of  
policy number *01-582-26-31*  
issued to *LABORATORY CORPORATION OF AMERICA HOLDINGS*

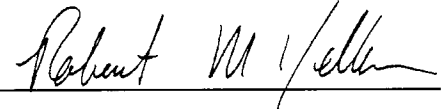
by *AIG Specialty Insurance Company*

**FORMS INDEX ENDORSEMENT**

The contents of the Policy is comprised of the following forms:

FORM NUMBER	EDITION DATE	FORM TITLE
78859	10/01	FORMS INDEX ENDORSEMENT

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



\_\_\_\_\_  
AUTHORIZED REPRESENTATIVE  
Or Countersignature (In states where applicable)

**END 016**



**CLAIM REPORTING FORM**

Issuing Company: *AIG Specialty Insurance Company*

Reported under Policy/Bond Number: 01-582-26-31 Date: \_\_\_\_\_

Type of Coverage: D&O \_\_\_\_\_ E&O \_\_\_\_\_ Fidelity \_\_\_\_\_ (complete the Fidelity Supplemental on the next page)

Insured's Name, as given on Policy Declarations (Face Page):

LABORATORY CORPORATION OF AMERICA HOLDINGS  
\_\_\_\_\_  
\_\_\_\_\_

Contact Person: \_\_\_\_\_

Title: \_\_\_\_\_

Phone: (\_\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_ Ext \_\_\_\_\_

eMail: \_\_\_\_\_ @ \_\_\_\_\_

Case or Claimant Name: \_\_\_\_\_  
\_\_\_\_\_

If the party involved is different from "Insured" Name (as given on Policy Declarations) state relationship:

Insurance Broker/Agent: WILLIS OF MASSACHUSETTS, INC.

Address: THREE COPLEY PLACE, SUITE 300

Address: BOSTON, MA 02116-6501

Contact: Peter Foster Phone: \_\_\_\_\_

eMail: peter.foster@willis.com

Send Notice of Claims to:	AIG	Phone: (888) 602- 5246
	Financial Lines Claims	Fax: (866) 227- 1750
	P.O. Box 25947	Email: <u>c- Claim@AIG.com</u>
	Shawnee Mission, KS 66225	



**CLAIM REPORTING FORM  
FIDELITY SUPPLEMENTAL**

(Only complete this supplemental if the Claim is being reported under Fidelity Coverage)

Issuing Company: *AIG Specialty Insurance Company*

Reported under Policy/Bond Number: 01-582-26-31

Date of Discovery: \_\_\_\_\_ Estimated Amount of loss: \_\_\_\_\_

Cause of Loss:	Employee Dishonesty	_____	Computer Fraud	_____
	Funds Transfer	_____	Robbery/Burglary	_____
	ID Theft	_____	Forgery	_____
	Client Property	_____	In Transit	_____
	ERISA	_____	Credit Card Forgery	_____
	Other	_____	if Other, describe:	_____

---

Send Notice Of Claims To: AIG  
 Financial Lines Claims  
 P.O. Box 25947  
 Shawnee Mission, KS 66225

Phone: (888) 602- 5246  
 Fax: (866) 227- 1750  
 Email: [c- Claim@AIG.com](mailto:c-Claim@AIG.com)

**POLICYHOLDER NOTICE**

Thank you for purchasing insurance from a member company of American International Group, Inc. (AIG). The AIG member companies generally pay compensation to brokers and independent agents, and may have paid compensation in connection with your policy. You can review and obtain information about the nature and range of compensation paid by AIG member companies to brokers and independent agents in the United States by visiting our website at [www.aig.com/producercompensation](http://www.aig.com/producercompensation) or by calling 1-800-706-3102.



Please be advised that effective November 1, 2013, Chartis Specialty Insurance Company legally changed its name to AIG Specialty Insurance Company. You may have been issued a quote and/or binder letter in which the name of the insurer is different from what appears on your policy. Rest assured that only the insurer name, and not the insurer providing your coverage, has changed. The name change does not impact your coverage in any way.

**LIBERTY INTERNATIONAL UNDERWRITERS**

**MANAGEMENT LIABILITY AND PROFESSIONAL  
LIABILITY EXCESS FOLLOW FORM POLICY**



---

PRESIDENT  
David H. Long



---

VICE PRESIDENT AND  
SECRETARY  
Dexter R. Legg



**Liberty**  
International  
Underwriters.

**Management Liability and Professional  
Liability Excess Follow Form**



**LIBERTY MUTUAL INSURANCE COMPANY**

(A Massachusetts Stock Insurance Company, hereinafter the "Company")  
175 Berkeley Street; Boston, MA 02117  
Toll-free number: 1-800-677-9163

NOTICE: THIS IS A CLAIMS-MADE AND REPORTED POLICY. COVERAGE APPLIES TO CLAIMS THAT ARE FIRST MADE AGAINST YOU DURING A POLICY YEAR WITHIN THE POLICY PERIOD, AND FIRST REPORTED TO US WITHIN THAT POLICY YEAR, OR WITHIN SIXTY (60) DAYS AFTER EXPIRATION OR TERMINATION OF THIS POLICY FOR A WRONGFUL ACT COMMITTED ON OR AFTER THE RETROACTIVE DATE, IF APPLICABLE, AND BEFORE THE END OF THE POLICY YEAR. PLEASE READ THE POLICY CAREFULLY.

**EXCESS FOLLOW FORM POLICY**

**POLICY NO.:** EO4NAAWTO6001

**RENEWAL OF:** NEW

**DECLARATIONS**

**ITEM 1. NAMED INSURED:**

Laboratory Corporation of America Holdings

**ITEM 2. PRINCIPAL ADDRESS:**

531 S. Spring Street  
Burlington, NC 27215

**ITEM 3. LIMITS OF LIABILITY:**

\$10,000,000	per claim /	\$10,000,000	aggregate	Excess of
\$10,000,000	per claim	\$10,000,000	aggregate	Each Policy Period

**ITEM 4. UNDERLYING POLICIES:**

(A) **Primary Policy:**

Insurer: AIG Specialty Insurance Company  
Policy Number: 01-582-26-31  
Limits: \$10,000,000  
Retention: \$500,000  
Policy Period: November 1, 2013 – November 1, 2014

(B) **Other Policy(ies):** N/A

**ITEM 5. POLICY PERIOD:**

From: 12:01 a.m. on November 1, 2013  
To: 12:01 a.m. on November 1, 2014  
Local Time at the address shown in Item 2.

## Management Liability and Professional Liability Excess Follow Form



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### ITEM 6. ENDORSEMENT(S) EFFECTIVE AT INCEPTION:

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It is hereby understood and agreed the following forms and endorsements are attached to and are a part of this policy:

Endorsement No. 1 – OFAC (08/09) – U.S. Economic And Trade Sanctions Clause  
Endorsement No. 2 – Recognition of Underlying Payment Endorsement  
Endorsement No. 3 – Drop Down over Sub-Limit Endorsement  
LMICNOTICE001-1009 - Notice of Membership in Liberty Mutual Holding Company, Inc.

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### ITEM 7. TERMINATION OF PRIOR POLICY(IES):

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N/A

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### ITEM 8. PREMIUM:

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\$112,000 Premium

In witness whereof, the **Insurer** has caused this policy to be signed by its President and its Secretary at Boston, Massachusetts, and countersigned below by a duly authorized representative.

A handwritten signature in blue ink that reads "David H. Long".

---

PRESIDENT  
David H. Long

A handwritten signature in blue ink that reads "Dexter R. Legg".

---

VICE PRESIDENT AND SECRETARY  
Dexter R. Legg

## Management Liability and Professional Liability Excess Follow Form



### LIBERTY MUTUAL INSURANCE COMPANY

(A Massachusetts Stock Insurance Company, hereinafter the "Company")  
175 Berkeley Street; Boston, MA 02117  
Toll-free number: 1-800-677-9163

#### POLICY TERMS

Relying upon the completeness and accuracy of the statements and disclosures in the application for this Policy and upon all other information provided to the **Insurer**, in consideration of the payment of the premium of this Policy, the **Insurer** agrees as follows:

**1. Incorporation of Primary Policy:**

This Policy incorporates by reference the insuring clauses, warranties, definitions, terms, conditions, exclusions and other provisions contained in the **Primary Policy** and as described in the materials submitted to the **Insurer** in connection with the application for this Policy except as regards the premium, the limit of liability, the policy period, and except as otherwise provided herein. Any changes to the **Primary Policy** shall not be binding on the **Insurer** unless specifically endorsed hereon.

**2. Definitions:**

The following terms, whenever printed in boldface type in this Policy, shall have the meanings indicated below.

- 2.1. "**Insurer**" means the entity issuing this Policy as named on the Declarations.
- 2.2. "**Named Insured**" means the entity identified in Item 1 of the Declarations.
- 2.3. "**Primary Policy**" means the policy identified in Item 4.(A) of the Declarations.
- 2.4. "**Underlying Limit of Liability**" means the combined limits of liability of the **Underlying Policies**, less any reduction or exhaustion of the limits of liability due to payment of loss under those policies.
- 2.5. "**Underlying Policies**" means the policies identified in Items 4.(A) and 4.(B) of the Declarations.

**3. Limit of Liability:**

The **Insurer** will pay all of loss in excess of both the **Underlying Limit of Liability** plus the applicable retention or deductible under the **Primary Policy**, up to the Limit of Liability stated in Item 3 of the Declarations. The **Insurer's** maximum liability under this Policy for loss shall be the amount shown in Item 3 of the Declarations. In the event the Limit of Liability stated in Item 3 of the Declarations is exhausted by payment of loss, any and all obligations of the **Insurer** hereunder shall be deemed to be completely fulfilled and extinguished.

**4. Maintenance of Underlying Policies:**

It is a condition precedent to the coverage afforded under this Policy that the insureds maintain the **Underlying Policies** with retentions/deductibles, participation/co-insurance and limits of liability (subject to reduction exhaustion as a result of loss payments), as set forth in Items 4.(A) and 4.(B) of the Declarations. Except as provided in paragraph 4.1., this Policy only provides coverage when the **Underlying Limit of Liability** is exhausted by reason of the insurers of the **Underlying Policies** paying or being held liable to pay in legal currency the full amount of the **Underlying Limit of Liability** as loss.

- 4.1. In the event one or more of the insurers under the **Underlying Policies** fails to pay loss in connection with any claim covered under the **Underlying Policies** as a result of the insolvency, bankruptcy or liquidation of said insurer, then the insureds shall be deemed self-insured for the amount of the limit of liability of said insurer which is not paid as a result of such insolvency, bankruptcy or liquidation.



## Management Liability and Professional Liability Excess Follow Form

### 5. Reduction or Exhaustion:

In the event of reduction of the **Underlying Limits of Liability** by reason of payment of loss, this Policy shall pay excess of the reduced limits. In the event of exhaustion of the **Underlying Policies**, this Policy shall continue in force as primary insurance; provided, however, this Policy shall only pay excess of the retention or deductible applicable to the **Primary Policy**, which shall be applied to any subsequent loss in the same manner as specified in the **Primary Policy**.

5.1. If any **Underlying Policies** bear an effective date which is prior to the Policy inception date, and any such insurance becomes exhausted or impaired by payment of loss, with respect to any claim which shall be deemed to be made prior to the Policy inception date, then with respect to any claim made after the Policy inception date, the insureds shall be deemed to be self-insured for the amount of any such **Underlying Policies** which are exhausted or impaired by payment of such loss with respect to such claim made prior to the Policy inception date.

### 6. Defense and Settlement:

The insureds shall not admit liability for, offer to settle or settle any claim or incur costs of defense, where the liability, settlement and/or costs of defense are reasonably likely to involve the limit of liability of this Policy, without the **Insurer's** prior written consent, which consent shall not be unreasonably withheld.

### 7. Notice of Claim:

The insureds shall give the **Insurer** notice of any claim in the same manner required by the terms and conditions of the **Primary Policy** and shall give the **Insurer** such information and cooperation as it may reasonably require. Notices to the **Insurer** shall be sent via express mail to:

Liberty International Underwriters  
55 Water Street  
18th Floor  
New York, NY 10041

Such notice shall be effective on the date of receipt by the **Insurer** at the above address.

### 8. Policy Termination:

This Policy may be cancelled in the same manner as provided by the terms and conditions of the **Primary Policy**.

### 9. Subrogation:

If any payment is made hereunder, the **Insurer** will act in concert with all other interests concerned (including those of the insureds) in the exercise of rights of recovery against any person or other entity. If any amounts are recovered, they shall be apportioned as follows:

- a. Any interests (including those of the insureds) that paid an amount by or on behalf of the insureds over and above any payment made by the **Insurer** under this Policy shall be reimbursed first up to the amount paid by them;
- b. then, the **Insurer** shall be reimbursed out of any balance then remaining up to the amount paid, and
- c. then, the interests (including those of the insureds) of which this coverage is in excess are entitled to claim the residue, if any.

### 10. Assignment:

Assignment of interest under this Policy shall not bind the **Insurer** unless its consent is endorsed hereon.

## Management Liability and Professional Liability Excess Follow Form



**11. Conformity to Statute:**

Any terms of this Policy which are in conflict with the terms of any applicable laws construing this Policy are hereby amended to conform to such laws.

**12. Entire Agreement:**

By acceptance of this Policy, the insureds and the **Insurer** agree that this Policy, including the Declarations, the application and any written endorsements attached hereto, constitute the entire agreement between the parties.

**13. Representation by the Named Insured:**

The **Named Insured** shall act on behalf of all the insureds for all purposes including, but not limited to, the negotiation and purchase of this Policy, the giving and receiving of all notices and correspondence, the cancellation or non-renewal of this Policy, the payment of premiums, and the receipt of any return premiums that may be due under this Policy.

**14. Mutual Policy Conditions:**

This Policy is nonassessable. The **Named Insured** is a member of the **Insurer's** company and shall participate to the extent and upon the conditions fixed and determined by the board of directors in accordance with the provisions of law, in the distribution of dividends so fixed and determined.

In witness whereof, the company has caused this policy to be signed by its President and its Secretary and countersigned by a duly authorized representative of the company.



PRESIDENT  
David H. Long



VICE PRESIDENT AND SECRETARY  
Dexter R. Legg

## Management Liability and Professional Liability Excess Follow Form



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### LIBERTY MUTUAL INSURANCE COMPANY

(A Massachusetts Stock Insurance Company, hereinafter the "Company")

#### ENDORSEMENT NO. 1

---

<b>Effective Date:</b>	November 1, 2013
<b>Policy Number:</b>	EO4NAAWTO6001
<b>Issued To:</b>	Laboratory Corporation of America Holdings

---

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

#### U.S. ECONOMIC AND TRADE SANCTIONS CLAUSE

Whenever coverage provided by this policy would be in violation of any U.S. economic or trade sanctions such as, but not limited to, those sanctions administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), such coverage shall be null and void. Similarly, any coverage relating to or referred to in any certificates or other evidences of insurance or any claim that would be in violation of U.S. economic or trade sanctions as described above shall also be null and void.



## Management Liability and Professional Liability Excess Follow Form



### LIBERTY MUTUAL INSURANCE COMPANY

(A Massachusetts Stock Insurance Company, hereinafter the "Company")

#### ENDORSEMENT NO. 2

---

<b>Effective Date:</b>	November 1, 2013
<b>Policy Number:</b>	EO4NAAWTO6001
<b>Issued To:</b>	Laboratory Corporation of America Holdings

---

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

#### RECOGNITION OF UNDERLYING PAYMENT ENDORSEMENT

In consideration of the premium charged, it is hereby agreed that the Policy is amended as follows:

Paragraph 4 of the Policy is deleted in its entirety and replaced with the following:

- Maintenance of Underlying Policies:** The insureds shall maintain the **Underlying Policies** with retentions/deductibles, participation/co-insurance and limits of liability (subject to reduction or exhaustion as a result of loss payments), as set forth in Items 4.(A) and 4.(B) of the Declarations. Except as provided in paragraph 4.1, this Policy only provides coverage when the **Underlying Limit of Liability** is exhausted by reason of the insurers of the **Underlying Policies** or the insureds paying or being held liable to pay in legal currency the full amount of the **Underlying Limit of Liability** as loss. However, if the **Underlying Policies** are not so maintained, the **Insurer** shall not be liable under this Policy to a greater extent than it would have been had such **Underlying Policies** been so maintained.

The **Insurer's** maximum liability for loss under this Policy shall be the amount set forth in Item 3 of the Declarations.

**4.1** In the event one or more of the insurers under the **Underlying Policies** fails to pay loss in connection with any claim covered under the **Underlying Policies** as a result of the insolvency, bankruptcy or liquidation of said insurer, then the insureds shall be deemed self-insured for the amount of the limit of liability of said insurer which is not paid as a result of such insolvency, bankruptcy or liquidation.

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

# Management Liability and Professional Liability Excess Follow Form



## LIBERTY MUTUAL INSURANCE COMPANY (A Massachusetts Stock Insurance Company, hereinafter the "Company")

### ENDORSEMENT NO. 3

<b>Effective Date:</b>	November 1, 2013
<b>Policy Number:</b>	EO4NAAWTO6001
<b>Issued To:</b>	Laboratory Corporation of America Holdings

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### DROP DOWN OVER SUB-LIMIT ENDORSEMENT

In consideration of the premium charged, it is hereby agreed that, upon exhaustion of the following Sub-Limits as described in the **Primary Policy**

<u>Sub-Limit</u>	<u>Sub-Limited Coverage</u>
\$5,000,000	Fines and Penalties
\$5,000,000	Event Response
\$3,000,000	PCI Fines
\$1,000,000	Outsource Provider
\$3,000,000	System Failure

and any such applicable Sub-Limit on any **Underlying Policies**, this Policy shall drop down and follow form to the terms, conditions and limitations of such coverage; provided that the **Insurer's** aggregate limit of liability applicable to such coverage shall be

\$5,000,000 xs \$5,000,000 for	Fines and Penalties
\$5,000,000 xs \$5,000,000 for	Event Response
\$3,000,000 xs \$3,000,000 for	PCI Fines
\$1,000,000 xs \$1,000,000 for	Outsource Provider
\$3,000,000 xs \$3,000,000 for	System Failure

which shall be part of and not in addition to the Insurer's aggregate limit of liability set forth in Item 3. of the Declarations.

All other terms and conditions of this policy remain unchanged.

## Management Liability and Professional Liability Excess Follow Form



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### LIBERTY MUTUAL INSURANCE COMPANY

(A Massachusetts Stock Insurance Company, hereinafter the "Company")

---

<b>Effective Date:</b>	November 1, 2013
<b>Policy Number:</b>	EO4NAAWTO6001
<b>Issued To:</b>	Laboratory Corporation of America Holdings

---

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

#### [NOTICE OF MEMBERSHIP IN LIBERTY MUTUAL HOLDING COMPANY, INC AND NOTICE OF ANNUAL MEETING](#)

Liberty Mutual Insurance Company is a Massachusetts stock insurance company subsidiary of Liberty Mutual Holding Company Inc., a Massachusetts mutual holding company. Insurance is provided by Liberty Mutual Insurance Company. The named insured first named in the declarations is a member of Liberty Mutual Holding Company Inc. As a member of Liberty Mutual Holding Company Inc., the named insured first named is entitled, among other things, to vote either in person or by proxy at the annual meeting or special meetings of said company. The Annual Meeting of Liberty Mutual Holding Company Inc. is at its offices located at 175 Berkeley Street, Boston, Massachusetts, on the second Wednesday in April each year at ten o'clock in the morning. Members of Liberty Mutual Holding Company Inc. may request a copy of the company's annual financial statement, which are posted on Liberty Mutual's website at [www.libertymutual.com](http://www.libertymutual.com), by writing to Liberty Mutual Holding Company Inc., 175 Berkeley Street, Boston, Massachusetts 02117, Attention: Corporate Secretary.

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA  
FT. LAUDERDALE DIVISION

CASE NO.

CHRISTOPHER W. LEGG,  
individually and on behalf of all others  
similarly situated,

Plaintiff,

v.

LABORATORY CORPORATION OF  
AMERICA HOLDINGS, a Delaware  
corporation,

Defendant.

**CLASS ACTION**

**JURY TRIAL DEMANDED**

**COMPLAINT FOR DAMAGES AND INJUNCTIVE RELIEF FOR  
VIOLATIONS OF THE FAIR AND ACCURATE CREDIT  
TRANSACTIONS ACT, 15 U.S.C. § 1681c(g)**

Plaintiff Christopher W. Legg (“Plaintiff”), on behalf of himself and other similarly situated individuals, alleges the following, in relevant part, upon information and belief, and his own personal knowledge.

***I. NATURE FOF THE CASE***

1. This class action complaint is based upon Defendant’s violations of the Fair and Accurate Credit Transactions Act (“FACTA”) amendment to the Fair Credit Reporting Act, 15 U.S.C. § 1681 *et seq.*, as amended (the “FCRA”). Specifically, this action is based upon Section 1681c(g) of the FCRA which states

that, “no person that accepts credit cards or debit cards for the transaction of business shall print more than the last 5 digits of the card number or the expiration date upon any receipt provided to the cardholder at the point of the sale or transaction.” Despite the clear language of the statute, Defendant simply and willfully chose not to comply with the FCRA. As such, all consumers who purchase goods and services from Defendant using a credit or debit card suffered violations of Section 1681c(g), have been uniformly burdened with an elevated risk of identity theft, and are entitled to an award of statutory damages.

## **II. JURISDICTION AND VENUE**

2. This Court has jurisdiction under 15 U.S.C. § 1681p, and 28 U.S.C. §§ 1331 and 1337 because the claims in this action arise under violation of a federal statute.

3. Venue is proper in this District under 28 U.S.C. § 1391 because a substantial part of the events or omissions giving rise to the claim occurred here. Defendant does business in this District and its contacts here are sufficient to subject it to personal jurisdiction.

## **III. PARTIES**

4. Plaintiff Christopher W. Legg (“Plaintiff”) is a natural person, who resides in the State of Florida, Broward County.

5. Defendant, Laboratory Corporation of America Holdings (“LabCorp” or “Defendant”), is a Delaware corporation whose principal office is located at 231 Maple Avenue, Burlington, NC 27216, and whose registered agent for service of process in the State of Florida is Corporation Service Company, 1201 Hays Street, Tallahassee, FL 32301.

#### **IV. FACTUAL ALLEGATIONS**

##### **A. Statutory Background**

6. In 2003, FACTA was enacted by Congress, and signed into law by President George W. Bush. One of FACTA’s primary purposes was to amend the FCRA through the addition of identity theft protections for consumers.

7. One such FACTA provision was specifically designed to thwart identity thieves’ ability to gain sensitive information regarding a consumer’s credit or bank account from a receipt provided to the consumer during a point of sale transaction, which, through any number of ways, could fall into the hands of someone other than the consumer.

8. Codified at 15 U.S.C. § 1681c(g), this provision states the following:

*Except as otherwise provided in this subsection, no person that accepts credit cards or debit cards for the transaction of business shall print more than the last 5 digits of the card number or the expiration date upon any receipt provided to the cardholder at the point of sale or transaction.*

(hereinafter, the “Receipt Provision”).

9. After enactment, FACTA provided three years in which to comply with its requirements, mandating full compliance with its provisions no later than December 4, 2006.

10. According to data from the Federal Trade Commission's 2012 Consumer Sentinel Network report, Florida ranks No. 1 for identity theft among the 50 states, with 361.3 complaints per 100,000 people. That's 86 percent more than Georgia, which ranks a distant second. Also, nine of the top 10 metro areas for identity theft are in Florida, according to the report. First is the Miami area with 645.4 complaints per 100,000 people.<sup>1</sup>

11. So problematic is the crime of identity theft that the three main credit reporting agencies, Experian, Equifax, and Transunion, joined to set-up a free website (<<http://www.annualcreditreport.com>>) in order to comply with FACTA requirements and to provide the citizens of this country with a means of monitoring their credit reports for possible identity theft.

***B. Plaintiff's Factual Allegations***

12. On July 3, 2014, Plaintiff visited Defendant's Hollywood, Florida location at which time he paid, using a VISA<sup>®</sup> credit card, for routine laboratory tests. Upon making payment, he was provided with an electronically printed receipt which included the expiration date of Plaintiff's credit card.

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<sup>1</sup> <http://www.wptv.com/money/consumer/identity-theft-florida-ranks-no-1-in-nation-for-id-theft>  
(Last accessed: July 6, 2013).

*C. Defendant's Misdeeds*

13. At all times relevant herein, Defendant was acting by and through its agents, servants and/or employees, each of which were acting within the course and scope of their agency or employment, and under the direct supervision and control of the Defendant.

14. At all times relevant herein, the conduct of the Defendant, as well as that of its agents, servants and/or employees, was in willful and reckless disregard for federal law and the rights of the Plaintiff.

15. It is Defendant's policy and procedure to issue an electronically printed receipt to individuals at the point of sale – *i.e.*, immediately upon receipt of credit card payment.

16. Consistent with Defendant's policy and procedure, Defendant knowingly and intentionally includes credit and debit card expiration dates on its electronically printed receipts.

17. Along with the expiration date, the receipt generated at the point of sale also displays certain other sensitive information, including the consumer's name, address, telephone number, type of credit card, and date of service.

18. The expiration dates are not printed accidentally; upon information and belief, the equipment and software used to print the receipts must be



programmed to display certain information, and likewise, programmed not to display certain information.

19. The fact that Defendant chose to comply with the credit card *number* redaction requirement is highly suggestive of the fact that LabCorp had knowledge of the statute's requirements. Moreover, unlike some more nebulous FACTA-related issues (*e.g.*, whether the statute covers "membership cards" – *See Hammer v. Sam's East, Inc.*, No. 13-3724 (8th Cir., June 5, 2014)), the requirement to redact expiration dates could not be any more straightforward - the statute expressly prohibits display of a credit card's expiration date, *supra*.

20. Upon information and belief, the FTC specifically alerted businesses about the truncation requirement; major credit card issuers (*e.g.*, American Express) also explicitly instructed merchants on the requirements of FACTA, and; Defendant therefore would have received multiple notices regarding the truncation requirement and the importance of identity theft.

21. Moreover, at some point prior to the filing of this complaint, Defendant retained the services of the international law firm, Jones Day, who advised the Defendant regarding certain FACTA requirements specifically related to identity theft.<sup>2</sup>

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<sup>2</sup> <http://www.jonesday.com/experiencepractices/ExperienceDetail.aspx?experienceid=24830> (Last accessed: July 6, 2014).

22. Notwithstanding the fact that it has had years to comply, Defendant continues to issue receipts at points of sale transaction, which contain the expiration date of credit or debit cards, in direct violation of the Receipt Provision of the FCRA.

23. Notwithstanding the Receipt Provision, Defendant continues to deliberately, willfully, intentionally, and/or recklessly violate FACTA by issuing receipts which do not comply with the FCRA.

24. Notwithstanding the Receipt Provision and the fact that it had years to comply, Defendant continues to act in conscious disregard for the rights of others.

25. In sum, Defendant knowingly and intentionally violated the Receipt Provision of FACTA, in conscious disregard for the rights and privacy concerns of others, and in doing so, committed willful violation of the FACTA provision of the FCRA. *See Reynolds v. Hartford Financial Services Grp.*, 435 F.3d 1081, 1098 (9th Cir. 2006).

#### V. CLASS ACTION ALLEGATIONS

26. This action is also brought as a Class Action under Fed. R. Civ. P. 23. Plaintiff proposes the following class, defined as follows, subject to modification by the Court as required:

*(i) All persons in the United States (ii) who, when making payment to LabCorp, (iii) made such payment using a credit or debit card, (iv) and within the five (5) years prior to the filing of the complaint (v) were provided*

*with a receipt of the payment (vi) which displayed the expiration date of said credit or debit card.*

27. The named Plaintiff falls within the Class definition and is a member of the class. Excluded from the Class are Defendant and any entities in which Defendant has a controlling interest, Defendant's agents and employees, Plaintiff's attorneys and their employees, the Judge to whom this action is assigned and any member of the Judge's staff and immediate family, and claims for personal injury, wrongful death, and/or emotional distress.

**A. Certification Under Either Rule 23(b)(2) or (b)(3) is Proper.**

28. The members of the class are capable of being described without managerial or administrative problems. The members of the class are readily ascertainable from the information and records in the possession, custody or control of Defendant.

29. Defendant is a major provider of laboratory related services throughout the United States. Plaintiff states, upon information and belief that Defendant processes laboratory tests on approximately 470,000 specimens per day.<sup>3</sup> Therefore, it is reasonable to conclude that the class is sufficiently numerous such that individual joinder of all members is impractical. The disposition of the claims in a class action will provide substantial benefit to the parties and the Court

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<sup>3</sup> <https://www.labcorp.com/wps/portal/aboutus/> (Last accessed: July 6, 2014)

in avoiding a multiplicity of identical suits. The Class can be identified through Defendant's records or Defendant's agents' records.

30. There are common questions of law and fact which predominate over any questions affecting only the individual members of the classes. The wrongs alleged against Defendants are statutory in nature and common to each and every member of the respective classes.

31. This suit seeks only statutory damages and injunctive relief on behalf of the Class and it expressly is not intended to request any recovery for personal injury and claims related thereto. Plaintiff reserves the right to expand the Class definition to seek recovery on behalf of additional persons as warranted as facts are learned in further investigation and discovery.

32. There is a well-defined community of interest in the questions of law and fact involved affecting the parties to be represented. The questions of law and fact to the Class predominate over questions that may affect individual Class members, including the following:

- a. Whether, within the five years prior to the filing of this Complaint, Defendant and/or their agents accepted payment by credit or debit card from any consumer and subsequently gave that consumer a printed receipt upon which the expiration date of the card was printed;
- b. Whether Defendant's conduct was willful and reckless;

- c. Whether Defendant is liable for damages, and the extent of statutory damages for each such violation; and
- d. Whether Defendant should be enjoined from engaging in such conduct in the future.

33. As a person that utilized Defendant's laboratory services and received a receipt upon which the expiration date of his card was printed, Plaintiff is asserting claims that are typical of the proposed Class. Plaintiff will fairly and adequately represent and protect the interests of the Class in that Plaintiff has no interests antagonistic to any member of the Class.

34. The principal question is whether the Defendant violated section 1681c(g) of the FCRA by providing class members with electronically printed receipts in violation of the Receipt Provision. The secondary question is whether it is Defendant's policy and practice to provide such electronically printed receipts to consumers that make payment using a credit or debit card, despite the advice of one of the nation's largest law firms, and whether this policy and practice constitutes willful noncompliance of the FCRA.

35. Plaintiff and the members of the Class have all suffered irreparable harm as a result of the Defendant's unlawful and wrongful conduct. Absent a class action, the Class will continue to face the potential for irreparable harm. In addition, these violations of law would be allowed to proceed without remedy and

Defendant would undoubtedly continue such illegal conduct. Because of the size of the individual Class members' claims, few Class members could afford to seek legal redress for the wrongs complained of herein.

36. Defendant's defenses are and will be typical of and the same or identical for each of the members of the class and will be based on the same legal and factual theories. There are no unique defenses to any of the class members' claims.

37. A class action is a superior method for the fair and efficient adjudication of this controversy. Class-wide damages are essential to induce Defendant to comply with federal and California law. The interest of Class members in individually controlling the prosecution of separate claims against Defendant is small. The maximum statutory damages in an individual action for a violation of this statute is minimal. Management of these claims is likely to present significantly fewer difficulties than those presented in many class claims. Defendant has acted on grounds generally applicable to the Class, thereby making appropriate final injunctive relief and corresponding declaratory relief with respect to the Class as a whole.

**COUNT I – VIOLATIONS OF 15 U.S.C. § 1681(c)(g)**

38. 15 U.S.C. §1681c(g) states as follows:

*Except as otherwise provided in this subsection, no person that accepts credit cards or debit cards for the transaction of business*

*shall print more than the last 5 digits of the card number or the expiration date upon any receipt provided to the cardholder at the point of sale or transaction.*

39. This section applies to any “device that electronically prints receipts” (hereafter “Devices”) for point of sale transactions. 15 U.S.C. §1681c(g)(3).

40. Defendant employs the use of said Devices for point of sale transactions at the various locations of Defendant.

41. On or before the date on which this complaint was filed, Plaintiff and members of the Class were provided receipt(s) by Defendant that failed to comply with the Receipt Provision.

42. At all times relevant to this action, Defendant was aware, or should have been aware, of both the Receipt Provision as well as the need to comply with said provision.

43. Notwithstanding the three year period to prepare for FACTA and its accompanying provisions, including but not limited to the Receipt Provision; knowledge of the Receipt Provision and FACTA as a whole; and the actions of Defendant’s peers and competitors, Defendant knowingly, willfully, intentionally, and/or recklessly violated and continues to violate the FCRA and the Receipt Provision.

44. As a result of Defendant’s willful violations of the FCRA, Plaintiff and members of the Class continue to be exposed to an elevated risk of identity

theft. Defendant is liable to Plaintiff and members of the Class pursuant to 15 U.S.C. § 1681n for statutory damages, punitive damages, attorney's fees and costs.

**WHEREFORE**, Plaintiff Christopher W. Legg respectfully requests that this Court enter judgment in his favor and against Defendant Laboratory Corporation of America Holdings for:

- a. Statutory damages;
- b. Punitive damages;
- c. Injunctive relief;
- d. Attorneys' fees, litigation expenses and costs of suit, and
- e. Such other and further relief as the Court deems proper under the circumstances.

### **JURY DEMAND**

**Plaintiff demands a trial by jury on all counts.**

Dated: July 6, 2014.

Respectfully submitted,

By: /s/ Scott D. Owens  
Scott D. Owens, Esq.  
Florida Bar No. 0597651  
SCOTT D. OWENS, P.A.  
664 E. Hallandale Beach Blvd.  
Hallandale Beach, FL 33009  
Telephone: (954) 589-0588  
Facsimile: (954) 337-0666  
scott@scottdowens.com



Bret L. Lusskin, Jr., Esq.  
Florida Bar No. 28069  
BRET LUSSKIN, P.A.  
20803 Biscayne Blvd., Ste 302  
Aventura, FL 33180  
Telephone: (954) 454-5841  
Facsimile: (954) 454-5844  
[blusskin@lusskinlaw.com](mailto:blusskin@lusskinlaw.com)

*Attorneys for Plaintiff*



AIG Property Casualty  
Financial Lines Claims  
175 Water Street  
New York, NY 10038  
www.aig.com

David Standish  
Complex Claim Director  
Cyber/Network Security  
/Media/Technology  
T 212 458-1524  
F 866 999-3054  
[David.Standish@aig.com](mailto:David.Standish@aig.com)

Correspondence Address:  
AIG  
Financial Lines Claims  
P.O. Box 25947  
Shawnee Mission, KS  
66225

eMail new notices to  
[c-Claim@aig.com](mailto:c-Claim@aig.com)

Fax new notices to  
866 227 1750

**VIA E- MAIL**

November 17, 2014

[adam.cantor@willis.com](mailto:adam.cantor@willis.com)  
Adam S. Cantor  
Senior Vice President - Claims Advocate  
FINEX North America  
Willis Americas Administration, Inc.  
200 Liberty Street - 7th Floor  
New York, NY 10281

<b>Re:</b>	<b>Insured:</b>	<b>Laboratory Corporation of America Holdings</b>
	<b>Matter:</b>	<b>Christopher Legg</b>
	<b>Policy No:</b>	<b>01-582-26-31</b>
	<b>Our File No:</b>	<b>3845021326US</b>

Mr. Cantor,

AIG Claims, Inc. ("AIG") is the authorized representative of AIG Specialty Insurance Company ("AIG Specialty"), which issued a Specialty Risk Protector Policy to **Laboratory Corporation of America Holdings** under policy number **01-582-26-31** (the "Policy"). The purpose of this letter is to advise you of our position with respect to coverage for the Complaint filed in the United States District Court for the Southern District of Florida, Ft. Lauderdale Division, docketed as case 14-CV-61543-CMA.

We value you as a customer and appreciate your business. Please be advised that we will handle this matter as a non-suited claim subject to a *reservation of rights*. After you have reviewed the letter, if there is additional information you would like me to consider, please forward such information to me. Also, if you have any questions about the letter, please contact me.

In considering your request for coverage, we have reviewed the insurance policy referenced above, as well as the allegations asserted. No other policies were considered. If you assert a right to coverage under another policy issued by any other member company of AIG, please submit notice pursuant to the notice provisions contained in that policy.

Based on the information we have received to date, the Claimant filed the above matter on behalf of himself and a class of similarly situated persons alleging that the Insured violated the Fair and Accurate Credit Transactions Act ("FACTA") amendment to the Fair Credit Reporting Act ("FCRA"). Claimant alleges that he was a customer/patient at one of the Insured's laboratories and paid by credit card. He received a receipt that printed his credit card's expiration date.



### The Policy

AIG Specialty issued Specialty Risk Protector Policy No. **01-582-26-31** to **Laboratory Corporation of America Holdings** with an effective policy period of November 1, 2013 to November 1, 2014. The Policy has an aggregate limit of \$10,000,000 and is subject to a \$500,000 self-insured retention. Relevant policy provisions are referenced below; please refer to the Policy for its complete terms and conditions.

### Coverage Analysis

We direct your attention to the Security and Privacy Liability ("S&P") Coverage Section, which the **Insurer** shall pay on behalf of the **Insured** all **Loss** in excess of the applicable Retention that the **Insured** is legally obligated to pay resulting from a **Claim** alleging a **Security Failure** or a **Privacy Event**. The **Insurer** has the right and duty to defend a **Suit** or **Regulatory Action** alleging a **Security Failure** or a **Privacy Event**, even if the **Suit** or **Regulatory Action** is groundless, false or fraudulent.

A "Privacy Event" is defined under this Coverage Section as " 1) any failure to protect **Confidential Information** (whether by "phishing," other social engineering technique or otherwise) including, without limitation, that which results in an identity theft or other wrongful emulation of the identity of an individual or corporation; 2) failure to disclose an event referenced in Sub-paragraph (1) above in violation of any **Security Breach Notice Law**; or (3) violation of any federal, state, foreign or local privacy statute alleged in connection with a **Claim** for compensatory damages, judgments, settlements, pre-judgment and post-judgment interest from Sub-paragraphs (1) or (2) above."

**Confidential Information** means "any of the following in a **Company's** or **Information Holder's** care, custody or control or for which a **Company** or **Information Holder** is legally responsible:

- (1) information from which an individual may be uniquely and reliably identified or contacted, including, without limitation, an individual's name, address, telephone number, social security number, account relationships, account numbers, account balances, account histories and passwords;
- (2) information concerning an individual that would be considered "nonpublic personal information" within the meaning of Title V of the Gramm-Leach Bliley Act of 1999 (Public Law 106-102, 113 Stat. 1338) (as amended) and its implementing regulations, or protected personal information under any similar federal, state, local or foreign law;
- (3) information concerning an individual that would be considered "protected health information" or "electronic protected health information" within the Health Insurance Portability and Accountability Act of 1996 (as amended) (HIPAA) or the Health Information Technology for Economic and Clinical Health Act (HITECH Act), and their implementing regulations, or protected health-related information under any similar federal, state, local or foreign law;
- (4) information used for authenticating customers for normal business transactions;



(5) any third party's trade secrets, data, designs, interpretations, forecasts, formulas, methods, practices, processes, records, reports or other item of information that is not available to the general public.”

We now refer you to the Exclusions section of the S&P Coverage Section, which provides in relevant part:

This policy shall not cover **Loss** in connection with a **Claim** made against an **Insured** for any of the following:

civil or criminal fines or penalties imposed by law against an **Insured** and any matters deemed uninsurable under the law pursuant to which this policy shall be construed, provided, however, this subparagraph (5) shall not apply to any:

**(b) Fines and Penalties.**

For the purposes of this endorsement, the term "**Fines and Penalties**" means civil fines or penalties imposed by a governmental agency and arising from a **Regulatory Action**, unless the civil fine or penalty is uninsurable under the law of the jurisdiction imposing such fine or penalty.<sup>1</sup>

AIG Specialty expressly reserves all rights to deny or limit coverage pursuant to the above exclusion.

If you believe the facts and coverage analysis set forth above are inaccurate or inappropriate, or if you believe there are facts or evidence we have overlooked or that has not been made available to us that would affect our analysis, please let us know immediately. We will consider any information you provide to us.

AIG Specialty's coverage position is based on the information presently available to us. This letter is not, and should not be construed as, a waiver of any terms, conditions, exclusions or other provisions of the Policy, or any other policies of insurance issued by AIG Specialty or any of its affiliates. AIG Specialty expressly reserves all of its rights under the Policy, including the right to assert additional defenses to any claims for coverage, if subsequent information indicates that such action is warranted.

Should you have any additional information that you feel would either cause us to review our position or would assist us in our investigation or determination, we ask that you advise us as soon as possible. Also, if you are served with any complaints or pleadings, please forward them to us immediately, so that we can review our coverage position.

If you have any other insurance policies, which may respond to this claim asserted, you should report the matter to the issuing carrier[s] immediately.

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<sup>1</sup> See Endorsement No. 6.



In closing, allow me to reiterate that we value you as a customer and encourage you to contact us should you have any questions or concerns regarding the contents of this letter. Thank you for your cooperation in this matter.

Sincerely,

/s/ David Standish

Complex Claim Director  
Cyber/Network Security/Media/Technology  
212-458-1524  
[David.standish@aig.com](mailto:David.standish@aig.com)

cc: [kylek@labcorp.com](mailto:kylek@labcorp.com)



A Member of the Liberty Mutual Group

Allison T. McCabe  
Liberty International Underwriters  
55 Water Street, 23<sup>rd</sup> Floor  
New York, NY 10041  
Telephone: (212) 898-4307  
Facsimile: (212) 898-4397  
Allison.McCabe@libertyiu.com

August 12, 2014

**VIA E-MAIL (Adam.Cantor@willis.com)**

Adam Cantor  
Senior Vice President – Claims Advocate

RE: Insured: Laboratory Corporation of America Holdings  
Insurer: Liberty Mutual Insurance Company  
Matter: Christopher Legg  
Policy No.: EO4NAAWTO6001  
Policy Period: November 1, 2013 to November 1, 2014  
Claim No.: NEWSPC000074296

Dear Mr. Cantor:

Please be advised that I am handling the above-referenced matter on behalf of Liberty Mutual Insurance Company (“LMIC”). Kindly direct all future correspondence to my attention. The purpose of this letter is to inform you that we are in receipt of the correspondence and Complaint in connection with the Christopher Legg matter. This letter also sets forth LMIC’s initial coverage position while we await the primary carrier’s coverage position letter.

LMIC issued a Management Liability and Professional Liability Excess Follow Form Policy Number EO4NAAWTO6001, with effective dates of November 1, 2013 to November 1, 2014. The primary policy was issued by AIG Specialty Insurance Company (“AIG”) number 01-582-26-31, with limits of liability of \$10,000,000. The primary retention is \$500,000. LMIC’s \$10,000,000 limits of liability are excess to the underlying \$10,000,000 limits. Matter number NEWSPC000074296 has been assigned to this file and we ask that you include it on all correspondence to this office.

Based on the information received to date, it appears that the Insured is reporting a Complaint captioned Christopher W. Legg, individually and on behalf of all others similarly situated v. Laboratory Corporation of America Holdings, which was filed in the

August 12, 2014  
Page 2 of 2

United States District Court for the Southern District of Florida. The action is a proposed class action in which Plaintiff alleges that the Insured violates the Fair and Accurate Credit Transactions Act ("FACTA") to the Fair Credit Reporting Act ("FCRA") by printing receipts at the point of sale with the expiration date and other sensitive information, including the consumer's name, address, telephone number, type of credit card, and date of service. Plaintiffs assert that they have an elevated risk of identity theft as a result and seek statutory damages.

LMIC follows form to AIG's primary policy except as otherwise indicated therein, and therefore, please provide us with a copy of the primary carrier's coverage position letter(s) upon the Insured's receipt of same. In the interim, LMIC reserves any and all of the rights and defenses it may possess with respect to this matter. As LMIC is excess to underlying limits of \$10,000,000, we will continue to monitor this matter.

This statement of LMIC's position is without prejudice to you, to anyone else, or to LMIC, and is based upon the information provided to date. LMIC reserves the right to supplement its coverage position based on additional information, or in response to significant developments. This letter does not constitute, nor should it be construed as a waiver of any terms, and/or conditions of the Policy or LMIC's rights thereunder, at law and/or in equity.

Should you have any questions or comments regarding the foregoing, please do not hesitate to contact me.

Very truly yours,

A handwritten signature in black ink, appearing to read "Allison McCabe". The signature is fluid and cursive, with the first name "Allison" and last name "McCabe" clearly distinguishable.

Allison McCabe

cc: [kylek@labcorp.com](mailto:kylek@labcorp.com);  
[Peter.Foster@willis.com](mailto:Peter.Foster@willis.com);  
[judith.olivier@libertyiu.com](mailto:judith.olivier@libertyiu.com)

FROM=Standish, David  
TO: FL-DropFile  
SUBJECT: FW: Claim No.: 3845021326US Christopher Legg v. LabCorp  
DATE RECEIVED: 2015/01/12 14:40:36

<----->

David Standish  
AIG  
Complex Claim Director  
Network Security/Media/Technology  
Tel +1 212 458 1524  
david.standish@aig.com <mailto:david.standish@aig.com>

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From: Standish, David  
Sent: Monday, January 12, 2015 3:40 PM  
To: 'kylek@labcorp.com'  
Cc: 'adam.cantor@willis.com'  
Subject: Claim No.: 3845021326US Christopher Legg v. LabCorp

Kyle/Adam:

Please provide a status update for this matter. Also, please advise defense counsel assigned to this matter, including any budgets, rates. Please note that the Insured may choose defense counsel from the approved AIG panel firms. Has defense counsel prepared any liability or damages evaluations on this matter? Please advise.

David Standish



AIG  
Complex Claim Director  
Network Security/Media/Technology  
Tel +1 212 458 1524  
david.standish@aig.com

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FROM=Standish, David  
TO: FL-DropFile  
SUBJECT: FW: AIG Claim No.: 3845021326US Legg v. LabCorp FACTA Class  
Action United States District Court for the Southern District of Florida,  
Ft. Lauderdale Division, case 14-CV-61543-CMA  
DATE RECEIVED: 2015/03/12 09:51:09

<----->

David Standish  
AIG  
Complex Claim Director  
Cyber/Media/Technology  
Tel +1 212 458 1524  
david.standish@aig.com <mailto:david.standish@aig.com>

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From: Standish, David  
Sent: Thursday, March 12, 2015 10:51 AM  
To: 'kylek@labcorp.com'  
Cc: 'Cantor, Adam'

Subject: AIG Claim No.: 3845021326US Legg v. LabCorp FACTA Class Action  
United States District Court for the Southern District of Florida, Ft.  
Lauderdale Division, case 14-CV-61543-CMA

Kyle/Adam,

Could you please provide me with an update on this matter? Please provide info on defense counsel handling the matter, status of the litigation, any demands, amounts incurred, etc. My contact info is below.

Thanks,

David Standish  
AIG  
Complex Claim Director  
Cyber/Media/Technology  
Tel +1 212 458 1524  
david.standish@aig.com

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**From:** Cantor, Adam [<mailto:adam.cantor@willis.com>]  
**Sent:** Friday, November 06, 2015 2:17 PM  
**To:** Lauber, Robyn  
**Cc:** Ross, Ken; Loftus, John; Foster, Peter  
**Subject:** Insured: LabCorp (Cyber E&O) / Matter: Christopher LEGG, et al. v. Laboratory Corporation of America Holdings (FACTA class action), AIG Claim no. 3845021326US / FW: Settlement Agreement, Defense Costs Information & Request for Reimbursement  
**Importance:** High

- **AIG Claim no. 3845021326US**

Robyn –

As follow up to our discussion this morning, attached is a copy of the final \$11 million settlement which has received preliminary court approval. I've asked for a complete set of LabCorp's defense bills and we should have them by next week, but total Defense Costs were \$2,312,881.38. Most of that (approx. 80%) was for defense counsel - Hogan Lovells - but LabCorp also retained a compliance expert, economist and special counsel on the case.

On behalf of LabCorp, we respectfully request reimbursement under AIG's Policy for both the settlement and the Insured's associated Defense Costs. I also ask that you expedite your review and

AIG's response to this request, as the policy is coming up for renewal shortly.

Thank you for your consideration and let me know if you have any questions. On behalf of the Insured, all rights under the Policy, at law and in equity remain reserved.

Regards,

**Adam Cantor, Senior Vice President – Regional Leader, FINEX Claims – Northeast Region**

Willis Americas Administration, Inc. | 150 John F. Kennedy Parkway, Suite 520 (P.O. Box 5002) | Short Hills, New Jersey 07078-5002

Direct: 973-829-2929, E-mail: [adam.cantor@willis.com](mailto:adam.cantor@willis.com); [www.willis.com](http://www.willis.com)

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***\*\*Please Note\*\* Effective July 27, 2015, I will be working out of our Short Hills, NJ office (address above). The best phone number to reach me on is 973-829-2929. (However, I will also continue checking voice mail in NYC at 212-915-7880 until further notice). Thanks.***

-----Original Message-----

From: Kyle, Kathryn [<mailto:Kylek@LabCorp.com>]

Sent: Friday, November 06, 2015 1:53 PM

To: Cantor, Adam

Subject: Legg case

Adam, attached is a copy of the settlement agreement. There has been preliminary court approval.

I can forward the legal bills later this weekend, but here is a summary of fees/costs:

Total: \$2,312,881.38

Fees: \$2,252,116.64

Expenses: \$60,764.74

The total number above is broken down amongst various providers as follows:

Alvarez & Marshall (compliance expert): \$321,756.66 Bates White (economist): \$61,723

Commercial index: \$245.00 Hogan Lovells: \$1,879,219.52 Special Counsel: \$49,935.20

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**From:** Lauber, Robyn  
**Sent:** Friday, November 06, 2015 3:34 PM  
**To:** 'Cantor, Adam'  
**Cc:** Ross, Ken; Loftus, John; Foster, Peter  
**Subject:** RE: Insured: LabCorp (Cyber E&O) / Matter: Christopher LEGG, et al. v. Laboratory Corporation of America Holdings (FACTA class action), AIG Claim no. 3845021326US / FW: Settlement Agreement, Defense Costs Information & Request for Reimbursement

Adam,

As we discussed this morning, AIG has received no information or documentation from the Insured and/or Willis regarding this claim at any time since Willis reported the claim to AIG on July 11, 2014. Significantly, AIG was unaware of any settlement negotiations and AIG's consent to the \$11 million settlement was neither sought nor granted.

As you are aware, subsequent to issuing a Reservation of Rights on November 17, 2014, AIG contacted the Insured and Willis, in writing, on at least two occasions (January 12, 2015 and March 12, 2015) requesting status updates and information about defense counsel. In addition, on June 5, 2015, Complex Claim Director David Standish contacted you, by telephone, and advised that he had not received any information about this claim as required by Clause 7 of the Policy, and requested same.

Kindly provide any and all records indicating that AIG was contacted any time between July 11, 2014 and November 6, 2015 with regard to this claim, as well as any and all additional information in explanation of and support of the settlement. At this time, AIG has insufficient information upon which to base any determination as to whether the settlement was appropriate given the facts of the case.

AIG reserves all rights pursuant to Clause 7 of the General Terms and Conditions of the Policy, "Insured's Obligations," provides, in relevant part, that the Insured agrees to:

- (a) send the Insurer copies of all demands, suit papers, other related legal documents and invoices for Defense Costs received by such Insured, as soon as practicable;
- (c) cooperate with and help the Insurer, including, without limitation, as follows:
  - (2) in making settlements;
  - (6) by furnishing any and all documentation within the possession of such Insured that may be required;
  - (7) by taking such actions that such Insured and the Insurer agree are necessary and practicable to prevent or limit Loss arising from any First Party Event or Third Party Event.
- (d) unless required to do so by law, Insureds shall not, without the Insurer's prior written consent:
  - (1) assume any financial obligation or incur any costs unless specifically allowed to settle any Claim on behalf of all Insureds within the retention pursuant to Coverage Section.
  - (2) take any action, or fail to take any required action which prejudices the Insurer's rights under this policy.(emphasis added).

Thank you in advance.

Best,  
Robyn

**Robyn H. Lauber**  
**AIG**

Complex Claim Director | Cyber, Media & Technology  
Financial Lines Claims | AIG Property Casualty

175 Water Street, 5<sup>th</sup> Floor, New York, NY 10038

Tel +1 212 458-2106 | Cell +1 862 596-0002 | Fax +1 877 842-0026  
[robyn.lauber@aig.com](mailto:robyn.lauber@aig.com) | [www.aig.com](http://www.aig.com)

Correspondence Address  
AIG  
Financial Lines Claims  
P.O. Box 25947  
Shawnee Mission, KS 66225

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A Member of the Liberty Mutual Group

Darcy R. Shapiro  
Liberty International Underwriters  
55 Water Street, 23<sup>rd</sup> Floor  
New York, NY 10041  
Telephone: (212) 208-9568  
Facsimile: (602) 430-4117  
Darcy.Shapiro@libertyiu.com

June 10, 2016

**VIA EMAIL AND VIA CERTIFIED MAIL  
RETURN RECEIPT REQUESTED**

[adam.cantor@willis.com](mailto:adam.cantor@willis.com)

Adam Cantor  
Senior Vice President  
Willis Americas Administration, Inc.  
200 Liberty Street 7<sup>th</sup> Floor  
New York, NY 10281

RE: Insured: Laboratory Corporation of America Holdings  
Insurer: Liberty Mutual Insurance Corporation  
Matter: Christopher Legg  
Policy No.: EO4NAAWTO6001  
Policy Period: November 1, 2013 to November 1, 2014  
Claim No.: NEWSPC000074296

Dear Mr. Cantor:

Liberty Mutual Insurance Company ("LMIC") issued an excess follow form policy, number EQ4NAAWTO6001, to Laboratory Corporation of America Holdings ("LabCorp") for the November 1, 2013 to November 1, 2014 policy period, with a \$10,000,000 liability limit ("LMIC Policy") excess over an AIG Specialty Insurance Company ("AIG") policy. We write to you as the representative of LabCorp. If you are no longer their representative, we ask that you please immediately advise the undersigned.

We write concerning the above-entitled action and the related settlement. For the reasons discussed, LMIC disclaims any obligation to defend, indemnify or reimburse LabCorp in this matter.



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## FACTUAL BACKGROUND

On or about July 11, 2014, LMIC received first notice concerning a July 6, 2014 complaint in an action entitled Christopher W. Legg, individually and on behalf of all others similarly situated v. Laboratory Corporation of America Holdings, pending in the United States District Court for the Southern District of Florida, 14 Civ. 61543 (“Legg Action”). Plaintiff sought damages and injunctive relief on his own behalf and as a representative of a putative class, based on LabCorp’s alleged violations of the Fair and Accurate Credit Transactions Act (“FACTA”) amendment to the Fair Credit Reporting Act, 15 U.S.C. § 1681 *et seq.*, as amended (“FCRA”). Specifically, plaintiff filed the action under § 1681c(g) of the FCRA, which states that “no person that accepts credit cards or debit cards for the transaction of business shall print more than the last 5 digits of the card number or the expiration date upon any receipt provided to the cardholder at the point of the sale or transaction.”

The complaint alleges that lead plaintiff Christopher Legg is a resident of Broward County, Florida and that LabCorp is a Delaware corporation with principal offices located in Burlington, North Carolina. According to the complaint, on July 3, 2014, plaintiff visited LabCorp’s Hollywood, Florida location and paid for routine laboratory tests using his VISA<sup>®</sup> credit card. Upon making payment, plaintiff was allegedly provided with an electronically printed receipt that included the expiration date of plaintiff’s credit card. The complaint alleges that the conduct of LabCorp and its personnel was in willful and reckless disregard for federal law and plaintiff’s rights. Plaintiff contends that it is LabCorp’s policy and procedure to include credit and debit card expiration dates on its electronically printed receipts. The complaint also asserts that along with the expiration dates, the receipt generated at the point of sale displayed certain other sensitive information, including the consumer’s name, address, telephone number, type of credit card and date of service.

The complaint alleges that LabCorp knowingly and intentionally violated the Receipt Provision of FACTA, in conscious disregard for the privacy rights and concerns of others, and in doing so, committed willful violation of FACTA. The complaint also alleges various factors to support the proposed class certification as to “(i) All persons in the United States (ii) who, when making payment to LabCorp, (iii) made such payment using a credit or debit card, (iv) and within the five (5) years prior to the filing of the complaint (v) were provided with a receipt (vi) which displayed the expiration date of said credit or debit card.” The sole count of the complaint seeks to hold LabCorp liable under 15 U.S.C. § 1681n, for statutory damages, punitive damages and attorney’s fees and costs.

On July 16, 2014, we acknowledged notice of the suit and on August 12, 2014, we advised LabCorp that the excess policy follows form to the AIG primary policy, and requested a copy of AIG’s coverage position letter. LMIC generally reserved its rights and defenses and advised that it would continue to monitor the case.

On November 13, 2015, Willis, forwarded to LMIC a Settlement Agreement and Release to “fully and finally compromise[] and settle[] any and all Fair and Accurate Transactions

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Page 3 of 10

Act ('FACTA') claims that were or could have been asserted in the [Legg Action]..." Among other things, the Settlement Agreement requires LabCorp to make a settlement payment in the amount of \$11,000,000.00, with any award of plaintiffs' attorney's fees and expenses to be paid solely from that amount. The document was signed by LabCorp's representative. The Court's records reflect that on November 4, 2015, the Court issued an Order granting preliminary approval of the settlement, directing notice to the settlement class and scheduling a fairness hearing.

## **AIG POLICY**

AIG issued a "Specialty Risk Protector" policy, number 01-582-26-31, to LabCorp for the November 1, 2013 to November 1, 2014 policy period, with a \$10,000,000 liability limit and a Security and Privacy Liability Insurance Coverage Section ("S&P") with a \$10,000,000 liability limit, subject to a \$500,000 Retention ("AIG Policy"). The AIG Policy provides in relevant part:

### **SPECIALITY RISK PROTECTOR**

#### **GENERAL TERMS AND CONDITIONS**

##### **7. INSURED'S OBLIGATIONS**

In connection with all **Claims** and **First Party Events** under this policy, each **insured** agrees to the following:

- (d) unless required to do so by law, **Insureds** shall not, without the **Insurer's** prior written consent:
  - (1) assume any financial obligation or incur any cost unless specifically allowed to settle any **Claim** on behalf of all **Insureds** within the retention pursuant to a **Coverage Section**.
  - (2) take any action, or fail to take any required action which prejudices the **Insurer's** rights under this policy.

### **SPECIALITY RISK PROTECTOR**

#### **SECURITY AND PRIVACY LIABILITY INSURANCE**

#### **("SECURITY AND PRIVACY COVERAGE SECTION")**

**This is a Claims Made and Reported Coverage Section and a Third Party Coverage Section**

Notice: Pursuant to Clause 1 of the **General Terms and Conditions**, the **General Terms and Conditions** are incorporated by reference into, made a part of and we are expressly applicable to this **Security and Privacy Coverage Section**, unless otherwise explicitly stated to the contrary in the **General Terms and Conditions** or in this **Security and Privacy Coverage Section**.

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## 1. INSURING AGREEMENTS

With respect to the **SECURITY AND PRIVACY INSURING AGREEMENT**, the **DEFENSE** provisions and the **SETTLEMENT** provisions of this Clause 1., solely with respect to **Claims** first made against an **Insured** during the **Policy Period** of the **Discovery Period** (if applicable) and reported to the **Insurer** pursuant to the terms of this policy, this **Security and Privacy Coverage Section** affords the following coverage:

### **SECURITY AND PRIVACY INSURING AGREEMENT**

The **Insurer** shall pay on an **Insured's** behalf all **Loss** in excess of the applicable Retention that such **Insured** is legally obligated to pay resulting from a **Claim** alleging a **Security Failure** or a **Privacy Event**.

#### **DEFENSE**

- (a) The **Insurer** has the right and duty to defend a **Suit** or **Regulatory Action** alleging a **Security Failure** or a **Privacy Event**, even if the **Suit** or **Regulatory Action** is groundless, false or fraudulent.
- (b) The **Insurer** has the right to investigate any **Claim**.
- (c) The **Insurer's** duty to defend ends if an **Insured** refuses to consent to a settlement that the **Insurer** recommends pursuant to the **SETTLEMENT** provision below and that the claimant will accept. As a consequence of such **Insured's** refusal, the **Insurer's** liability shall not exceed the amount for which the **Insurer** could have settled such **Claim** had such **Insured** consented, plus **Defense Costs** incurred prior to the date of such refusal, plus 50% of **Defense Costs** incurred with the **Insurer's** prior written consent after the date of such refusal. This Clause shall not apply to any settlement where the total incurred **Loss** does not exceed the applicable Retention amount.

#### **SETTLEMENT**

- (a) The **Insurer** has the right, with the written consent of an **Insured**, which consent shall not be unreasonably withheld, to settle any **Claim** if the **Insurer** believes that it is proper.
- (b) An **Insured** may settle any **Claim** on behalf of all **Insureds** to which this insurance applies and which are subject to one Retention amount where the total incurred **Loss** does not exceed the Retention amount.

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## DEFINITIONS

- (b) “**Claim**” means:
- (1) a written demand for money, services, non-monetary relief or injunctive relief;
  - (2) a **Suit**; or
  - (3) a **Regulatory Action**.
- (h) “**Loss**” means compensatory damages, judgments, settlements, pre-judgment and post-judgment interest and **Defense Costs**, including without limitation:
- (1) punitive, exemplary and multiple damages where insurable by the applicable law which most favors coverage for such punitive, exemplary and multiple damages; and
  - (2) any monetary amounts an **Insured** is required by law or has agreed to by settlement to deposit into a consumer redress fund.
- (j) “**Privacy Event**” means the following occurring on or after the **Retroactive Date** and prior to the end of the **Policy Period**:
- (1) any failure to protect **Confidential Information** (whether by “phishing,” other social engineering technique or otherwise) including, without limitation, that which results in an identity theft or other wrongful emulation of the identity of an individual or corporation;
  - (3) violation of any federal, state, foreign or local privacy statute alleged in connection with a **Claim** for compensatory damages, judgments, settlements, pre-judgment and post-judgment interest from Sub-paragraphs (1) or (2) above.
- (l) “**Regulatory Action**” means a request for information, civil investigative demand or civil proceeding brought by or on behalf of a governmental agency, including requests for information related thereto.

## 3. EXCLUSIONS

This policy shall not cover **Loss** in connection with a **Claim** made against an **Insured**:

- (j) for any of the following:
- (5) civil or criminal fines or penalties imposed by law against an **Insured** and any matters deemed

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uninsurable under the law pursuant to which this policy shall be construed; provided, however, this Sub-paragraph (5) shall not apply to any monetary amounts an **Insured** is required by law or has agreed to by settlement to deposit into a consumer redress fund;

**FINES AND PENALTIES COVERAGE ENDORSEMENT  
(SUBLIMIT)**

**This endorsement amends the Security and Privacy Coverage Section.**

In consideration of the premium charged, it is hereby understood and agreed that the **Security and Privacy Coverage Section** is amended as follows:

1. In Clause 2. **DEFINITIONS**, paragraph (h), the definition of “**Loss**,” is amended to include the following sentence at the end thereof:

**Loss** also includes **Fines and Penalties**.

2. In Clause 3. **EXCLUSIONS**, paragraph (j) is amended by deleting subparagraph (5) thereof in its entirety and replacing it with the following:

(5) civil or criminal fines or penalties imposed by law against an **Insured** and any matters deemed uninsurable under the law pursuant to which this policy shall be construed, provided, however, this subparagraph (5) shall not apply to any:

(a) monetary amounts an **Insured** is required by law or has agreed to by settlement to deposit into a consumer redress fund; or

(b) **Fines and Penalties**.

3. Clause 4. **LIMIT OF LIABILITY** is deleted in its entirety and replaced with the following:

**4. LIMIT OF LIABILITY**

The following provisions shall apply in addition to the provisions of Clause 4, **LIMIT OF LIABILITY** of the **General Terms and Conditions**:

(a) Notwithstanding anything in the policy to the contrary, the maximum liability of the **Insurer** for all **Loss** arising from a **Regulatory Action** shall be the **Regulatory**

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Page 7 of 10

**Action Sublimit of Liability** set forth in Item 6 of the Declarations. This amount shall be part of and not in addition to the **Limit of Liability** and any applicable **Sublimit of Liability**.

- (b) Notwithstanding anything in the policy to the contrary, the maximum liability of the **Insurer**, in the aggregate, for **Fines and Penalties** shall be \$5,000,000 (the “**Fines and Penalties Sublimit of Liability**”).

The **Fines and Penalties Sublimit of Liability** shall be part of and not in addition to the **Regulatory Action Sublimit of Liability** set forth in Item 6 of the Declarations, the **Limit of Liability** and any applicable **Sublimit of Liability**.

4. For the purposes of this endorsement, the term “**Fines and Penalties**” means civil fines or penalties imposed by a governmental agency and arising from a **Regulatory Action**, unless the civil fine or penalty is uninsurable under the law of the jurisdiction imposing such fine or penalty.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS  
REMAIN UNCHANGED

\* \* \* \*

#### LMIC POLICY

The LMIC Policy provides in relevant part:

**1. Incorporation of Primary Policy:**

This Policy incorporates by reference the insuring clauses, warranties, definitions, terms, conditions, exclusions and other provisions contained in the Primary Policy and as described in the materials submitted to the Insurer in connection with the application for this Policy except as regards the premium, the limit of liability, the policy period, and except as otherwise provided herein. Any changes to the Primary Policy shall not be binding on the Insurer unless specifically endorsed hereon.

**2. Definitions:**

The following terms, whenever printed in boldface type in this Policy, shall have the meanings indicated below.

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- 2.3. “**Primary Policy**” means the policy identified in Item 4.(A) of the Declarations.
- 2.4. “**Underlying Limit of Liability**” means the combined limits of liability of the Underlying Policies, less any reduction or exhaustion of the limits of liability due to payment of loss under those policies.
- 2.5. “**Underlying Policies**” means the policies identified in Items 4.(A) and 4.(B) of the Declarations.

**3. Limit of Liability:**

The **Insurer** will pay all of loss in excess of both the **Underlying Limit of Liability** plus the applicable retention or deductible under the **Primary Policy**, up to the Limit of Liability stated in Item 3 of the Declarations. The **Insurer’s** maximum liability under this Policy for loss shall be the amount shown in Item 3 of the Declarations. In the event the Limit of Liability stated in Item 3 of the Declarations is exhausted by payment of loss, any and all obligations of the **Insurer** hereunder shall be deemed to be completely fulfilled and extinguished.

**5. Reduction or Exhaustion:**

In the event of reduction of the **Underlying Limits of Liability** by reason of payment of loss, this Policy shall pay excess of the reduced limits. In the event of exhaustion of the **Underlying Policies**, this Policy shall continue in force as primary insurance; provided, however, this Policy shall only pay excess of the retention or deductible applicable to the **Primary Policy**, which shall be applied to any subsequent loss in the same manner as specified in the **Primary Policy**.

**6. Defense and Settlement:**

The insureds shall not admit liability for, offer to settle or settle any claim or incur costs of defense, where the liability, settlement and/or costs of defense are reasonably likely to involve the limit of liability of this Policy, without the **Insurer’s** prior written consent, which consent shall not be unreasonably withheld.

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### ENDORSEMENT NO. 3

#### DROP DOWN OVER SUB-LIMIT ENDORSEMENT

In consideration of the premium charged, it is hereby agreed that, upon exhaustion of the following Sub-Limits as described in the **Primary Policy**

<u>Sub-Limit</u>	<u>Sub-Limited Coverage</u>
\$5,000,000	Fines and Penalties

....

and any such applicable Sub-Limit on any **Underlying Policies**, this Policy shall drop down and follow form to the terms, conditions and limitations of such coverage; provided that the **Insurer's** aggregate limit of liability applicable to such coverage shall be

\$5,000,000 xs \$5,000,000 for Fines and Penalties

....

which shall be part of and not in addition to the Insurer's aggregate limit of liability set forth in Item 3. of the Declarations.

All other terms and conditions of this policy remain unchanged.

\* \* \* \*

#### COVERAGE POSITION

For the reason set forth below as well as those contained in AIG's April 4, 2016 correspondence, LMIC disclaims any obligation to defend, indemnify or reimburse LabCorp in connection with the Legg Action and the related settlement.

The LMIC Policy incorporates the provisions of the AIG Policy, which limits the right of the insured to settle any Claim to instances where the Loss does not exceed the Retention amount (in this case, \$500,000). The LMIC Policy's Defense and Settlement provision states that "The insureds shall not admit liability for, offer to settle or settle any claim or incur costs of defense, where the liability, settlement and/or costs of defense are reasonably likely to involve the limit of liability of this Policy, without the Insurer's prior written consent, which consent shall not be unreasonably withheld." Since LabCorp did not obtain LMIC's consent prior to settlement of the Legg Action, LMIC disclaims coverage to LabCorp in all respects.

Additionally, pursuant to the AIG Policy's Fines and Penalties Coverage Endorsement (Sublimit), the S&P Coverage Section's exclusion (j)(5) is amended to bar coverage for "civil or criminal fines or penalties imposed by law against an Insured and any matters deemed uninsurable under the law pursuant to which this policy shall be construed," but does not limit coverage for "monetary amounts an Insured is required by law or has



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agreed to by settlement to deposit into a consumer redress fund” or “Fines and Penalties.” The Legg Action did not seek covered damages, only statutory damages for LabCorp’s alleged willful violations under FACTA. Accordingly, LMIC disclaims coverage to LabCorp because statutory damages under FACTA constitute “civil penalties” for which LMIC cannot provide coverage under exclusion (j)(5).

LMIC’s coverage position is based on the information presently available to us. Nothing contained in this correspondence, including our citation to specific policy provisions, constitutes a waiver, alteration, or modification of the terms, conditions, limitations and endorsements of the LMIC Policy or the AIG Policy. LMIC expressly reserves all of its rights under the policies, including the right to assert additional defenses to any claims for coverage, if subsequent information indicates that such action is warranted.

If you believe that other information or documents would be relevant to our coverage determination, please forward the same for our review and consideration.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Darcy R. Shapiro".

Darcy R. Shapiro

cc:

[kylek@labcorp.com](mailto:kylek@labcorp.com)

CIVIL COVER SHEET

JS 44 (Rev. 06/17) FLSD Revised 06/01/2017

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.) NOTICE: Attorneys MUST Indicate All Re-filed Cases Below.

I. (a) PLAINTIFFS AIG Specialty Insurance Company, an Ill. corp., and Liberty Mutual Insurance Company, a Mass corp.

DEFENDANTS Laboratory Corporation of America Holdings, a Delaware corp.

(b) County of Residence of First Listed Plaintiff New York, NY (EXCEPT IN U.S. PLAINTIFF CASES)

County of Residence of First Listed Defendant Alamance County, NC (IN U.S. PLAINTIFF CASES ONLY)

(c) Attorneys (Firm Name, Address, and Telephone Number) Carlton Fields Jordan Burt, P.A., Attys for AIG; and Marlow Adler, Abrams, Newman & Lewis, Attys for Liberty Mutual (See Ex. A for ...)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED. Attorneys (If Known)

(d) Check County Where Action Arose: MIAMI-DADE MONROE BROWARD PALM BEACH MARTIN ST. LUCIE INDIAN RIVER OKEECHOBEE HIGHLANDS

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- 1 U.S. Government Plaintiff
2 U.S. Government Defendant
3 Federal Question (U.S. Government Not a Party)
4 Diversity (Indicate Citizenship of Parties in Item III)

- Citizen of This State
Citizen of Another State
Citizen or Subject of a Foreign Country
PTF DEF
1 1 Incorporated or Principal Place of Business In This State
2 2 Incorporated and Principal Place of Business In Another State
3 3 Foreign Nation
4 4
5 5
6 6

IV. NATURE OF SUIT (Place an "X" in One Box Only)

Click here for: Nature of Suit Code Descriptions

CONTRACT TORTS REAL PROPERTY CIVIL RIGHTS PRISONER PETITIONS HABEAS CORPUS OTHER IMMIGRATION
110 Insurance
120 Marine
130 Miller Act
140 Negotiable Instrument
150 Recovery of Overpayment & Enforcement of Judgment
151 Medicare Act
152 Recovery of Defaulted Student Loans (Excl. Veterans)
153 Recovery of Overpayment of Veteran's Benefits
160 Stockholders' Suits
190 Other Contract
195 Contract Product Liability
196 Franchise
210 Land Condemnation
220 Foreclosure
230 Rent Lease & Ejectment
240 Torts to Land
245 Tort Product Liability
290 All Other Real Property
PERSONAL INJURY
310 Airplane
315 Airplane Product Liability
320 Assault, Libel & Slander
330 Federal Employers' Liability
340 Marine
345 Marine Product Liability
350 Motor Vehicle
355 Motor Vehicle Product Liability
360 Other Personal Injury
362 Personal Injury - Mod. Malpractice
440 Other Civil Rights
441 Voting
442 Employment
443 Housing/Accommodations
445 Amer. w/Disabilities - Employment
446 Amer. w/Disabilities - Other
448 Education
PERSONAL INJURY
365 Personal Injury - Product Liability
367 Health Care/Pharmaceutical Personal Injury Product Liability
368 Asbestos Personal Injury Product Liability
PERSONAL PROPERTY
370 Other Fraud
371 Truth in Lending
380 Other Personal Property Damage
385 Property Damage Product Liability
PRISONER PETITIONS
Habeas Corpus:
463 Alien Detainee
510 Motions to Vacate Sentence
Other:
530 General
535 Death Penalty
540 Mandamus & Other
550 Civil Rights
555 Prison Condition
560 Civil Detainee - Conditions of Confinement
FORFEITURE/PENALTY
625 Drug Related Seizure of Property 21 USC 881
690 Other
LABOR
710 Fair Labor Standards Act
720 Labor/Mgmt. Relations
740 Railway Labor Act
751 Family and Medical Leave Act
790 Other Labor Litigation
791 Empl. Ret. Inc. Security Act
BANKRUPTCY
422 Appeal 28 USC 158
423 Withdrawal 28 USC 157
PROPERTY RIGHTS
820 Copyrights
830 Patent
835 Patent - Abbreviated New Drug Application
840 Trademark
SOCIAL SECURITY
861 HIA (1395ff)
862 Black Lung (923)
863 DIWC/DIWW (405(g))
864 SSID Title XVI
865 RSI (405(g))
FEDERAL TAX SUITS
870 Taxes (U.S. Plaintiff or Defendant)
871 IRS-Third Party 26 USC 7609
OTHER STATUTES
375 False Claims Act
376 Qui Tam (31 USC 3729 (a))
400 State Reapportionment
410 Antitrust
430 Banks and Banking
450 Commerce
460 Deportation
470 Racketeer Influenced and Corrupt Organizations
480 Consumer Credit
490 Cable/Sat TV
850 Securities/Commodities/Exchange
890 Other Statutory Actions
891 Agricultural Acts
893 Environmental Matters
895 Freedom of Information Act
896 Arbitration
899 Administrative Procedure Act/Review or Appeal of Agency Decision
950 Constitutionality of State Statutes

V. ORIGIN (Place an "X" in One Box Only)
1 Original Proceeding
2 Removed from State Court
3 Re-filed (See VI below)
4 Reinstated or Reopened
5 Transferred from another district (specify)
6 Multidistrict Litigation Transfer
7 Appeal to District Judge from Magistrate Judgment
8 Multidistrict Litigation - Direct File
9 Remanded from Appellate Court

VI. RELATED/ RE-FILED CASE(S) (See instructions): a) Re-filed Case YES NO b) Related Cases YES NO
JUDGE: DOCKET NUMBER:

VII. CAUSE OF ACTION Cite the U.S. Civil Statute under which you are filing and Write a Brief Statement of Cause (Do not cite jurisdictional statutes unless diversity):
28 U.S.C. 2201
LENGTH OF TRIAL via 3 days estimated (for both sides to try entire case)

VIII. REQUESTED IN COMPLAINT: CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23 DEMAND \$ 10,000,000+ CHECK YES only if demanded in complaint:
JURY DEMAND: Yes No

ABOVE INFORMATION IS TRUE & CORRECT TO THE BEST OF MY KNOWLEDGE
DATE June 27, 2017 SIGNATURE OF ATTORNEY OF RECORD

FOR OFFICE USE ONLY RECEIPT # AMOUNT IFP JUDGE MAG JUDGE

EX. A to Civil Cover Sheet:

Attorneys for Plaintiffs:

Carlton Fields Jordan Burt, P.A.  
100 Southeast Second Street, Suite 4200  
Miami, Florida 33131  
Tele: 305.530.0050 / Fax: 305.530.0055

*Attorneys for Plaintiff  
AIG Specialty Insurance Company*

Marlow, Adler, Abrams, Newman & Lewis  
4000 Ponce de Leon Boulevard, Suite 570  
Coral Gables, Florida 33146  
Tele: 305.446.0500 / Fax: 305.446.3667

*Attorneys for Plaintiff Liberty Mutual  
Insurance Company*

**INSTRUCTIONS FOR ATTORNEYS COMPLETING CIVIL COVER SHEET FORM JS 44**

## Authority For Civil Cover Sheet

The JS 44 civil cover sheet and the information contained herein neither replaces nor supplements the filings and service of pleading or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. Consequently, a civil cover sheet is submitted to the Clerk of Court for each civil complaint filed. The attorney filing a case should complete the form as follows:

**I. (a) Plaintiffs-Defendants.** Enter names (last, first, middle initial) of plaintiff and defendant. If the plaintiff or defendant is a government agency, use only the full name or standard abbreviations. If the plaintiff or defendant is an official within a government agency, identify first the agency and then the official, giving both name and title.

(b) County of Residence. For each civil case filed, except U.S. plaintiff cases, enter the name of the county where the first listed plaintiff resides at the time of filing. In U.S. plaintiff cases, enter the name of the county in which the first listed defendant resides at the time of filing. (NOTE: In land condemnation cases, the county of residence of the "defendant" is the location of the tract of land involved.)

(c) Attorneys. Enter the firm name, address, telephone number, and attorney of record. If there are several attorneys, list them on an attachment, noting in this section "(see attachment)".

**II. Jurisdiction.** The basis of jurisdiction is set forth under Rule 8(a), F.R.C.P., which requires that jurisdictions be shown in pleadings. Place an "X" in one of the boxes. If there is more than one basis of jurisdiction, precedence is given in the order shown below.

United States plaintiff. (1) Jurisdiction based on 28 U.S.C. 1345 and 1348. Suits by agencies and officers of the United States are included here.

United States defendant. (2) When the plaintiff is suing the United States, its officers or agencies, place an "X" in this box.

Federal question. (3) This refers to suits under 28 U.S.C. 1331, where jurisdiction arises under the Constitution of the United States, an amendment to the Constitution, an act of Congress or a treaty of the United States. In cases where the U.S. is a party, the U.S. plaintiff or defendant code takes precedence, and box 1 or 2 should be marked. Diversity of citizenship. (4) This refers to suits under 28 U.S.C. 1332, where parties are citizens of different states. When Box 4 is checked, the citizenship of the different parties must be checked. (See Section III below; federal question actions take precedence over diversity cases.)

**III. Residence (citizenship) of Principal Parties.** This section of the JS 44 is to be completed if diversity of citizenship was indicated above. Mark this section for each principal party.

**IV. Nature of Suit.** Nature of Suit. Place an "X" in the appropriate box. If there are multiple nature of suit codes associated with the case, pick the nature of suit code that is most applicable. Click here for: [Nature of Suit Code Descriptions](#).

**V. Origin.** Place an "X" in one of the seven boxes.

Original Proceedings. (1) Cases which originate in the United States district courts.

Removed from State Court. (2) Proceedings initiated in state courts may be removed to the district courts under Title 28 U.S.C., Section 1441. When the petition for removal is granted, check this box.

Refiled (3) Attach copy of Order for Dismissal of Previous case. Also complete VI.

Reinstated or Reopened. (4) Check this box for cases reinstated or reopened in the district court. Use the reopening date as the filing date.

Transferred from Another District. (5) For cases transferred under Title 28 U.S.C. Section 1404(a). Do not use this for within district transfers or multidistrict litigation transfers.

Multidistrict Litigation. (6) Check this box when a multidistrict case is transferred into the district under authority of Title 28 U.S.C. Section 1407. When this box is checked, do not check (5) above.

Appeal to District Judge from Magistrate Judgment. (7) Check this box for an appeal from a magistrate judge's decision.

Remanded from Appellate Court. (8) Check this box if remanded from Appellate Court.

**VI. Related/Refiled Cases.** This section of the JS 44 is used to reference related pending cases or re-filed cases. Insert the docket numbers and the corresponding judges name for such cases.

**VII. Cause of Action.** Report the civil statute directly related to the cause of action and give a brief description of the cause. **Do not cite jurisdictional statutes unless diversity.** Example: U.S. Civil Statute: 47 USC 553

Brief Description: Unauthorized reception of cable service

**VIII. Requested in Complaint.** Class Action. Place an "X" in this box if you are filing a class action under Rule 23, F.R.Cv.P.

Demand. In this space enter the dollar amount (in thousands of dollars) being demanded or indicate other demand such as a preliminary injunction.

Jury Demand. Check the appropriate box to indicate whether or not a jury is being demanded.

**Date and Attorney Signature.** Date and sign the civil cover sheet.

AO 440 (Rev. 12/09) Summons in a Civil Action

**UNITED STATES DISTRICT COURT**

for the  
**Southern District of Florida**

**AIG SPECIALTY INSURANCE COMPANY,  
an Illinois corporation, and LIBERTY MUTUAL  
INSURANCE COMPANY, a Massachusetts  
Corporation,**

Plaintiffs,

v.

**Civil Action No.**

**LABORATORY CORPORATION OF  
AMERICA HOLDINGS, a Delaware  
corporation,**

**Defendant.**

**SUMMONS IN A CIVIL ACTION**

To: **LABORATORY CORPORATION OF AMERICA HOLDINGS, a Delaware corp.,  
By serving its Registered Agent:  
CORPORATION SERVICE COMPANY  
251 Little Falls Drive  
Wilmington, DE 19808**

A lawsuit has been filed against you.

Within **21 days after service of this summons** on you (not counting the day you received it) — or 60 days if you are the United States or a United States agency, or an officer or employee of the United States described in Fed. R. Civ. P. 12 (a)(2) or (3) — you must serve on the plaintiff an answer to the attached complaint or a motion under Rule 12 of the Federal Rules of Civil Procedure. The answer or motion must be served on the plaintiff or plaintiff's attorney, whose name and address are:

**Steven J. Brodie, Esquire (Florida Bar No. 333069)  
Aaron S. Weiss, Esquire (Florida Bar No. 48813)  
Daniel G. Enriquez (Florida Bar No. 85864)  
Carlton Fields Jordan Burt P.A.  
100 Southeast Second Street, #4200  
Miami, Florida 33131**

If you fail to respond, judgment by default will be entered against you for the relief demanded in the complaint. You also must file your answer or motion with the court.

*CLERK OF COURT*

Date: \_\_\_\_\_

\_\_\_\_\_  
*Signature of Clerk or Deputy Clerk*

AO 440 (Rev. 12/09) Summons in a Civil Action (Page 2)

Civil Action No. \_\_\_\_\_

**PROOF OF SERVICE**

*(This section should not be filed with the court unless required by Fed. R. Civ. P. 4(l))*

This summons for *(name of individual and title, if any)* \_\_\_\_\_  
was received by me on *(date)* \_\_\_\_\_.

I personally served the summons on the individual at *(place)* \_\_\_\_\_  
\_\_\_\_\_ on *(date)* \_\_\_\_\_; or

I left the summons at the individual's residence or usual place of abode with *(name)*  
\_\_\_\_\_, a person of suitable age and discretion who resides there, on  
*(date)* \_\_\_\_\_, and mailed a copy to the individual's last known address; or

I served the summons on *(name of individual)* \_\_\_\_\_, who is designated  
by law to accept service of process on behalf of *(name of organization)* \_\_\_\_\_ on *(date)*  
\_\_\_\_\_; or

I returned the summons unexecuted because \_\_\_\_\_; or

Other *(specify)*:

My fees are \$\_\_\_\_\_ for travel and \$\_\_\_\_\_ for services, for a total of \$\_\_\_\_\_.

I declare under penalty of perjury that this information is true.

Date: \_\_\_\_\_

\_\_\_\_\_  
*Server's signature*

\_\_\_\_\_  
*Printed name and title*

\_\_\_\_\_  
*Server's address*

Additional information regarding attempted service, etc:

# ClassAction.org

This complaint is part of ClassAction.org's searchable class action lawsuit database and can be found in this post: [AIG, Liberty Mutual Sue LabCorp Over \\$11M Settlement](#)

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