

# **Corporate Insurance and Liability Coverage Summary**

## **1. INTRODUCTION AND PURPOSE**

1 This Corporate Insurance and Liability Coverage Summary ("Document") is prepared by Nexus Intelligent Systems, Inc. (the "Company") to provide a comprehensive overview of the Company's current insurance portfolio, risk management strategies, and liability protection mechanisms as of January 22, 2024.

2 The purpose of this document is to provide a detailed disclosure of the Company's insurance coverage, potential liability exposures, and risk mitigation strategies for potential investors, merger partners, and due diligence reviewers.

## **2. INSURANCE COVERAGE SUMMARY**

### **2.1 General Liability Insurance**

- Carrier: Global Risk Underwriters, Inc.
- Policy Number: NIS-GL-2024-001
- Coverage Limit: \$5,000,000 per occurrence
- Annual Premium: \$87,500
- Coverage Period: January 1, 2024 - December 31, 2024
- Key Coverages:
  - a) Bodily injury protection
  - b) Property damage liability
  - c) Personal and advertising injury protection

### **2.2 Professional Liability / Errors & Omissions Insurance**

- Carrier: TechShield Professional Indemnity
- Policy Number: NIS-PL-2024-002
- Coverage Limit: \$10,000,000 aggregate
- Annual Premium: \$145,000
- Specific Coverage:
  - a) Professional service errors
  - b) Technology consulting liability

- c) AI algorithm and predictive analytics risk protection

### **2.3 Cyber Liability Insurance**

- Carrier: CyberGuard Solutions
- Policy Number: NIS-CY-2024-003
- Coverage Limit: \$7,500,000
- Annual Premium: \$112,500
- Coverage Includes:
  - a) Data breach response
  - b) Cyber extortion protection
  - c) Network security liability
  - d) Business interruption from cyber incidents

### **2.4 Directors and Officers Liability**

- Carrier: Executive Risk Specialists
- Policy Number: NIS-DO-2024-004
- Coverage Limit: \$15,000,000
- Annual Premium: \$175,000
- Coverage Scope:
  - a) Individual executive protection
  - b) Corporate entity coverage
  - c) Employment practices liability
  - d) Regulatory investigation expenses

## **3. RISK MANAGEMENT FRAMEWORK**

1 The Company maintains a comprehensive risk management approach that includes:

- Annual third-party risk assessments
- Quarterly internal risk review processes
- Continuous insurance coverage evaluation
- Proactive risk mitigation strategies

2 Key Risk Mitigation Strategies:

- Regular cybersecurity infrastructure audits
- Comprehensive employee training programs
- Advanced technological safeguards
- Strict vendor and partner risk screening

#### **4. LIABILITY EXPOSURE ASSESSMENT**

##### **1 Potential Liability Exposures:**

- Technology implementation risks
- Data privacy and protection challenges
- Professional service performance guarantees
- Intellectual property protection

##### **2 Mitigation Approaches:**

- Robust contractual limitation of liability clauses
- Comprehensive client engagement protocols
- Continuous legal and compliance monitoring

#### **5. INSURANCE CLAIMS HISTORY**

##### **1 Claims Summary (Past 36 Months):**

- Total Claims Filed: 2
- Claims Resolved: 2
- Total Claims Paid: \$275,000
- No outstanding unresolved claims as of document date

#### **6. LIMITATIONS AND DISCLAIMERS**

1 This document is provided for informational purposes and does not constitute a comprehensive legal guarantee of insurance coverage.

2 All insurance coverages are subject to specific policy terms, conditions, and exclusions.

#### **7. CERTIFICATION**

I, Dr. Elena Rodriguez, CEO of Nexus Intelligent Systems, Inc., certify that the information

contained herein is true and accurate to the best of my knowledge.

—

Dr. Elena Rodriguez

Chief Executive Officer

Nexus Intelligent Systems, Inc.

Date: January 22, 2024