

ANNUAL INSURANCE AUDIT REPORT

Summit Digital Solutions, Inc.

For the Period: January 1, 2023 - December 31, 2023

Report Date: January 15, 2024

1. EXECUTIVE SUMMARY

This Annual Insurance Audit Report provides a comprehensive review of Summit Digital Solutions, Inc.'s ("Company") insurance coverage, risk management practices, and compliance status for the 2023 calendar year. The audit was conducted in accordance with corporate governance requirements and industry best practices.

1.1 Key Findings

- All required insurance policies are current and in force
- Coverage levels meet or exceed industry standards
- Premium costs remain within budget parameters
- Claims history demonstrates effective risk management
- No material coverage gaps identified

2. INSURANCE PROGRAM OVERVIEW

2.1 Primary Insurance Carriers

- Commercial General Liability: AIG Insurance Company
- Professional Liability/E&O: Chubb Limited
- Cyber Insurance: Beazley Group
- Property Insurance: The Hartford
- Workers' Compensation: Liberty Mutual

2.2 Policy Schedule Summary

Coverage Type	Policy Number	Effective Date	Expiration Date	Annual Premium
-----	-----	-----	-----	-----
Commercial GL	CGL-23789456	01/01/2023	12/31/2023	\$275,000
Prof. Liability	PL-45678923	01/01/2023	12/31/2023	\$425,000
Cyber	CYB-34567891	01/01/2023	12/31/2023	\$385,000

| Property | PR-67891234 | 01/01/2023 | 12/31/2023 | \$145,000 |
| Workers' Comp | WC-12345678 | 01/01/2023 | 12/31/2023 | \$195,000 |

3. COVERAGE ANALYSIS

3.1 Commercial General Liability

- Coverage Limit: \$10,000,000 aggregate
- Per Occurrence: \$5,000,000
- Personal/Advertising Injury: \$5,000,000
- Products/Completed Operations: \$10,000,000
- Deductible: \$25,000

3.2 Professional Liability/E&O

- Coverage Limit: \$15,000,000 aggregate
- Per Claim: \$10,000,000
- Technology E&O Extension: Included
- Retroactive Date: 03/15/2016
- Deductible: \$100,000

3.3 Cyber Insurance

- Coverage Limit: \$20,000,000 aggregate
- First-Party Coverage: \$10,000,000
- Third-Party Coverage: \$10,000,000
- Business Interruption: \$5,000,000
- Deductible: \$250,000

3.4 Property Insurance

- Coverage Limit: \$25,000,000
- Business Personal Property: \$15,000,000
- Business Income: \$5,000,000
- Extra Expense: \$2,000,000
- Deductible: \$50,000

4. CLAIMS HISTORY

4.1 2023 Claims Summary

- Total Claims Filed: 3
- Claims Closed: 2
- Claims Pending: 1
- Total Claim Payments: \$175,000
- Loss Ratio: 12.3%

4.2 Notable Claims

Cyber Incident (March 2023)

- Claim Amount: \$125,000
- Status: Closed
- Resolution: Covered under cyber policy

Professional Services Dispute (June 2023)

- Claim Amount: \$50,000
- Status: Closed
- Resolution: Settled within deductible

Property Damage (November 2023)

- Estimated Amount: \$85,000
- Status: Pending
- Expected Resolution: Q1 2024

5. RISK ASSESSMENT

5.1 Primary Risk Factors

Technology Service Delivery

Data Security/Privacy

Professional Advice

Business Interruption

Intellectual Property

5.2 Risk Mitigation Recommendations

Enhanced cyber security protocols

Updated service agreement templates

Expanded staff training program

Improved incident response procedures

Regular risk assessment reviews

6. COMPLIANCE REVIEW

6.1 Regulatory Requirements

- SOC 2 Type II Compliance: Maintained
- ISO 27001 Certification: Current
- GDPR Compliance: Verified
- State Insurance Requirements: Met

6.2 Contractual Requirements

- Client Contract Requirements: Satisfied
- Vendor Agreement Compliance: Verified
- Lease Obligation Coverage: Confirmed

7. COST ANALYSIS

7.1 Premium Trends

- Total Annual Premium: \$1,425,000
- Year-over-Year Change: +4.2%
- Industry Benchmark Comparison: Below average
- Cost per Employee: \$3,701

7.2 Cost Optimization Opportunities

Increased deductible options

Risk management program enhancement

Carrier consolidation evaluation

Coverage limit optimization

Alternative risk transfer solutions

8. RECOMMENDATIONS

8.1 Short-Term Actions

Increase cyber coverage limits to \$25,000,000

Implement enhanced risk management training

Review property valuations

Update business continuity plans

Evaluate terrorism coverage options

8.2 Long-Term Strategies

Explore captive insurance options

Develop integrated risk management platform

Enhance claims management processes

Implement predictive risk analytics

Establish vendor insurance monitoring program

9. CERTIFICATION

This report accurately reflects the insurance program status of Summit Digital Solutions, Inc. as of December 31, 2023.

Prepared by:

[Signature]

Sarah Martinez

Director of Risk Management

Summit Digital Solutions, Inc.

Reviewed by:

[Signature]

Robert Wilson

Insurance Audit Partner

Wilson Risk Advisors, LLC

Date: January 15, 2024

DISCLAIMER

This report is confidential and intended solely for the use of Summit Digital Solutions, Inc. and its authorized representatives. The information contained herein is based on available data and professional judgment. No warranty or representation is made regarding the completeness or accuracy of the information presented.