

DATA BREACH INSURANCE COVERAGE DETAILS

Summit Digital Solutions, Inc.

Policy Period: January 1, 2024 - December 31, 2024

Policy Number: CYB-2024-SDS-001

1. COVERAGE SUMMARY

1. Primary Cyber Insurance Coverage provided by TechGuard Insurance Corporation

- Policy Limit: \$25,000,000 per occurrence
- Aggregate Annual Limit: \$50,000,000
- Retention: \$250,000 per claim

2. Excess Coverage Layer provided by Digital Risk Assurance Group

- Additional Limit: \$25,000,000 excess of primary
- Aggregate Annual Limit: \$25,000,000
- Retention: Follows primary

2. COVERED INCIDENTS

1. First-Party Coverage

- Data breach response and notification costs
- Business interruption losses
- Digital asset restoration
- Cyber extortion and ransomware incidents
- Social engineering fraud
- System failure coverage

2. Third-Party Coverage

- Network security liability
- Privacy liability
- Media liability
- Regulatory defense and penalties
- Payment card industry (PCI) fines and assessments

3. SPECIFIC ENDORSEMENTS

1. Technology Services Extension

- Coverage for professional services related to Peak Performance Platform
- Limit: \$10,000,000 sublimit
- Specific to AI/ML implementation services

2. IoT Systems Integration Coverage

- Extended coverage for IoT device network security
- Sublimit: \$5,000,000 per occurrence
- Includes third-party sensor integration liability

4. EXCLUSIONS AND LIMITATIONS

1. Standard Exclusions

- Prior known incidents
- Intentional acts
- War and terrorism (except cyber terrorism)
- Infrastructure failure
- Nuclear, chemical, biological incidents

2. Specific Exclusions

- Unencrypted mobile device data loss
- Non-compliant payment processing
- Unauthorized system modifications
- Third-party service provider failure (unless endorsed)

5. CLAIMS REPORTING REQUIREMENTS

1. Incident Response Protocol

- Immediate notification required for suspected incidents
- 72-hour maximum reporting window for known breaches
- Designated incident response team activation procedures

2. Documentation Requirements

- Initial incident report
- Forensic investigation findings
- Remediation plan and timeline
- Affected data inventory
- Regulatory notification documentation

6. RISK MANAGEMENT REQUIREMENTS

1. Minimum Security Standards

- Quarterly vulnerability assessments
- Annual penetration testing
- Multi-factor authentication implementation
- Encrypted data transmission and storage
- Regular security awareness training

2. Compliance Requirements

- SOC 2 Type II certification maintenance
- ISO 27001 compliance
- NIST Cybersecurity Framework alignment
- Regular security policy updates
- Incident response plan testing

7. PREMIUM AND PAYMENT TERMS

1. Premium Structure

- Base Premium: \$875,000 annually
- Additional Technology Services Premium: \$125,000
- IoT Systems Integration Premium: \$75,000
- Total Annual Premium: \$1,075,000

2. Payment Schedule

- Quarterly installments
- Due dates: January 1, April 1, July 1, October 1
- Late payment grace period: 15 days

8. POLICY ADMINISTRATION

1. Notice Requirements

- Material changes in business operations
- New technology service offerings
- Significant system architecture modifications
- Changes in security leadership
- Merger or acquisition activity

2. Policy Modifications

- 30-day notice required for coverage changes
- Written approval required for material changes
- Endorsement documentation requirements

ACKNOWLEDGMENT

The undersigned acknowledges review and acceptance of these coverage details on behalf of Summit Digital Solutions, Inc.

^^^

Signature: _

Name: Dr. Alexandra Reeves

Title: Chief Executive Officer

Date: January 1, 2024

Witness: _

Name: Sarah Blackwell

Title: Chief Operating Officer

Date: January 1, 2024

^^^

This document summarizes key insurance coverage terms but does not constitute the complete policy. Please refer to the full policy documentation for comprehensive terms, conditions, and requirements.