# 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

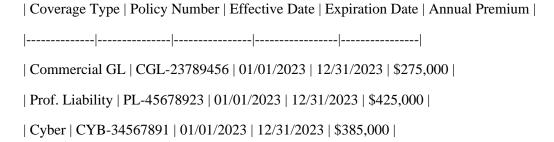
Professional Liability/E&O: Chubb Limited

Cyber Insurance: Beazley Group

- Property Insurance: The Hartford

- Workers' Compensation: Liberty Mutual

#### 2.2 Policy Schedule Summary



| 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

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