



RTIC NSDL and E&O

RATING PLAN

I. APPLICATION OF MANUAL

The rules contained in these pages will govern the writing of Professional Liability policies for NSDL and E&O.

II. PREMIUM COMPUTATION

- A.** Premiums at policy inception will be computed using rules, rates and rating plan in effect at that time.
- B.** This rating plan is used to develop annual premiums. Multi-year policy premium will be calculated using section XV. Part D. Multi-Year Term Policies. Other policy terms will be prorated.
- C.** Premiums will be calculated as specified for the respective coverage. The final calculated premium will be rounded to the nearest dollar.

III. FACTORS OR MULTIPLIERS

Unless otherwise noted, factors or multipliers are to be applied consecutively, as opposed to being added together.

IV. POLICY WRITING MINIMUM PREMIUM

The minimum premium will be based upon the applicable revenue band.

V. ADDITIONAL PREMIUM CHARGES

- A.** All coverage changes or additions involving additional premiums will be pro-rated based upon the effective date of the change.
- B.** The rates and rules that were in effect at the inception date of the policy period are to be used in all additional premium calculations. After computing the additional premium, the amount applicable from the effective date of the change will be charged.
- C.** Additional premiums of \$25 or less may be waived. This waiver only applies to charges due on the effective date of change endorsements.

VI. RETURN PREMIUMS

- A.** Midterm deletion of any coverage other than an optional coverage is not permitted unless the entire policy is cancelled.
- B.** Return premiums are computed using rates in effect at policy inception.
- C.** Return premiums are computed pro rata and rounded to the nearest whole dollar when any coverage or exposure is deleted, or an amount of insurance is reduced.

VII. POLICY CANCELLATIONS

- A.** Return premiums for cancellations initiated by the Insurer will be computed on a pro-rata basis, rounded to the nearest whole dollar.
- B.** Return premiums for cancellations initiated by the Insured will be computed on a 90% of pro rata basis, rounded to the nearest whole dollar.

VIII. COVERAGE

NSDL and E&O is provided on a Claims-made and Reported basis and provides coverage for those claims which are the result of wrongful acts occurring on or after the retroactive date and first made and reported to the Insurer while the policy is in force or an extended reporting period applies.

IX. INTERPOLATION

For factors not shown in this Rating Plan, use interpolation to determine the proper charge.

X. LIMITS OF LIABILITY

Increased Limit Costs are based upon the premium of the prior million of coverage. Each additional million will be charged at 50% of the prior million and subject to the minimum premium required.

XI. OPTIONAL COVERAGES

A. Contingent Bodily Injury/Property Damage – Contingent Bodily Injury and Physical Damage coverage may be purchased by endorsement for a debit of 15%.

B. First Party Computer Security Insurance Coverage

Cyber Extortion Loss sublimit	\$250,000
Data Protection Loss sublimit:	\$250,000
Business Interruption Loss sublimit:	\$250,000
1. Forensic Expenses sublimit:	\$50,000
2. Dependent Business Loss sublimit	\$50,000
3. IT Post Breach Service	\$10,000
4. Social Media	\$100,000

Will be included at the above amounts in the base rate. Each additional \$50,000 of coverage will cost \$100 per \$50,000.

- C.** Separate limits may be purchased for a debit of 5%
- D.** Shared Excess Limit Coverage may be purchased for a 25% debit of the total cost of the NSDL/E&O and the Executive Liability Policy

XII. DEDUCTIBLE

This rating plan credits or debits the applicant's premium based upon whether the Quoted Deductible is above or below the base Deductible of \$2,500.

Deductible Factors

Deductible	Modifier
\$2,500	1.00
\$5,000	0.97
\$10,000	0.955
\$25,000	0.88
\$50,000	0.78
Future Use	

XIII. PRIOR ACTS COVERAGE

The Prior Acts factor is determined from the table below:

Claims Made Year	Prior Acts Factor
No Prior Act coverage or up to one year of coverage	0.85
More than one year, up to two years of coverage	0.90
More than two years, up to three years of coverage	0.95
More than three years of coverage	1.00

Fractional years of 6 months or more will be rounded up to the next higher year. Less than 6 months will be rounded down to the next lowest year.

Longevity Factor

Premiums are modified to reflect the number of years the Insured has been in business.

Years in Business	Factor
Less than 1 year (start-up)	1.10
1-2.99 years	1.05
3-9.99 years	1.00
10-20 years	0.95
Over 20 years	0.85

XIV. EXTENDED REPORTING PERIOD COVERAGE

Standard Extended Reporting Period length is twelve (12) months. Premium for the Extended Reporting Period is 100% for 1 year, 200% for 2, and 250% for 3.

XV. PREMIUM CALCULATION RULES

A. Hazard Classes

The computer and technology business is grouped into the following Hazard Classes for the purpose of establishing relative exposure levels. Hazard Classes within the filing are comprehensive but not exhaustive. The classifications listed below are meant as examples. Insureds' operations will be classified in the Hazard Class that represents risks most similar in profile to the examples provided as per the underwriting guidelines. If an insured has operations in more than one hazard class, revenues will be allocated to the respective classes for premium calculation by using a blended rate. Calculated by using the amount of revenue per activity to rate for that activity.

Class 1

Telecom Service Providers and Related Business

All Other – Other classes or areas of practice that present a similar risk profile to those within this Class including all office type risks.

Class 2

Computer Consultants, Programmers, Data Entry, Security, and Storage Back-up Facilities

All Other – Other classes or areas of practice that present a similar risk profile to those within this Class.

Class 3

Electric Resellers and Related Business

Base Rates Telecom .14, Computer Services 1.80, and Electric .92

All Other – Other classes or areas of practice that present a similar risk profile to those within this Class.

The class rate is modified by a revenue modifier to more closely equate risk that goes beyond classification. The base rate is debited as follows.

Revenue Modifier	Revenue Band
0	\$1 to \$2m
0.05	\$2+m to \$5m
0.02	\$+5m

B. Basic Limits Minimum Premium

The minimum premium for the first million is determined from the below tables based upon the applicable Revenue Size.

Revenue Size	Applicable Minimum Premium
\$0- \$5,000,000	\$500
\$5,000,001-\$10,000,000	\$750
\$10,000,001-\$15,000,000	\$1,000
\$15,000,001-\$20,000,000	\$1,500
\$20,000,001-\$25,000,000	\$2,000
\$25,000,001-\$30,000,000	\$2,500
\$30,000,001+	\$3,000

The Excess limits after the first million are set at \$500 per million as the minimum premium.

C. Schedule Rating

Premiums may be modified to reflect positive or negative individual risk attributes that have a bearing on the potential for loss. A basic limits premium eligibility requirement applies in select states as follows:

\$6,000 (after modification) in LA.

Risk Attributes	Schedule Rating Credit/Debit Range		
Accredited/Certified Key Employees	-10%	to	0%
Use of Standardized Written Contract	-10%		0%
Risk Management Procedures/Controls	-15%		15%
Financial Condition	-25%		25%
Atypical proportion of revenue derived from a single client	0%		15%
Media/content review & control procedures	-20%		20%
Privacy controls & procedures	-20%		20%

Schedule Rating Factor = (1 + sum of applicable credits/debits)

The premium modifications are subject to the maximum credit or debit as set forth in the State Modification Limits table below:

State Modification Limits						
-15/+15	-25/+25	-40/+25	-40/+40	-50/+25	-50/+50	-50/+40
NE ²	AL MS AZ MO ND OH OK OR PA IA PR KS SD LA ² MI	SC	AK AR MN MT TX WV	VT	ID IL IN KY NM NV NC TN WI WY	GA

D. Multi-Year Term Policies

The following factors are applied to annual premium for policies with terms running longer than 12 months. This is applied after all charges and credits or debits are applied and can lower the premium below the minimum.

Multi-year/	Factor (applied to annual premium)
Annual Installments (if multiyear, non-prepaid)	1.05
Two Year Prepaid Premium	1.90
Three Year Prepaid Premium	1.85

E. PREMIUM CALCULATION

Sum x (Revenue/100) x Separate Limits Debit charge x Debit/Credit, Compare to Minimum Premium, x Multi Year Factor, + First Party Coverage Premium (which is First Party Limit Increase / \$50,000, x \$50 x Debit/Credit factor). As discussed, all calculations will be rounded to 2 decimal places. Additional coverage beyond \$1m will be calculated by taking the premium of the previous million x .50 and be subjected to the minimum in XV B.