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CYBERCLEAR **Cyber Rating Manual**

CYBER LIABILITY
Rating Manual

PRODUCT ELIGIBILITY
Cyber risks meeting underwriting guidelines.

PREMIUM FORMULA
The following equation is used in the premium calculation:

PREMIUM	$\left[\dfrac{\big((\text{BASE PREMIUM} \times \text{Pure Premium Split} \times \text{INDUSTRY MODIFIER} \times \text{LIMIT-RETENTION FACTOR} \times \text{SPLIT LIMIT FACTOR} \times \text{RISK-SPECIFIC FACTOR}) + (\text{BASE PREMIUM} \times \text{Expense Split} \times \text{LIMIT-RETENTION FACTOR} \times \text{SPLIT LIMIT FACTOR})\big)}{(1 - \text{Variable Expense Load})} \right]$
	+ Premium for OPTIONAL COVERAGES

Where:

BASE PREMIUM = see Manual Page CC-Cyber-BP-1   GO TO PAGE

Pure Premium Split = 74% or 0.7400

Expense Split = 26% or 0.2600

LIMIT-RETENTION FACTOR = see Manual Page CC-Cyber-LRF-1   GO TO PAGE

SPLIT LIMIT FACTOR = see Manual Page CC-Cyber-SLF-1   GO TO PAGE

INDUSTRY MODIFIER = see Manual Page CC-Cyber-IM-1   GO TO PAGE

RISK-SPECIFIC FACTOR = see Manual Pages CC-Cyber-RSCF-1-22   GO TO PAGE

Variable Expense Load = 25% or 0.2500

OPTIONAL COVERAGES = see Manual Pages CC-Cyber-OC-1   GO TO PAGE

SHARED LIMIT CREDITS = see Manual Pages CC-Cyber-SLC-1   GO TO PAGE

ADDITIONAL RATING RULES = see Manual Pages CC-Cyber-ARR-1-2   GO TO PAGE

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BASE PREMIUM

The Base Rates in the table below assume a Limit of $1M and a Retention of $10K. The Base Rates contemplate loss costs and fixed expenses but do not include variable expenses (which are loaded separately within the Cyber Premium formula).

REVENUE SIZE		BASE RATE
ALL COMPANIES		
THE FIRST	$500,000	$584.26
	$750,000	$661.83
	$1,000,000	$733.82
	$1,500,000	$868.03
	$2,000,000	$993.93
	$2,500,000	$1,114.33
	$5,000,000	$1,666.28
	$7,500,000	$2,184.34
	$10,000,000	$2,446.30
	$15,000,000	$2,881.77
	$20,000,000	$3,256.26
	$25,000,000	$3,587.39
	$50,000,000	$4,860.14
	$75,000,000	$5,952.86
	$100,000,000	$6,952.56
	$150,000,000	$8,940.83
	$200,000,000	$10,687.99
	$250,000,000	$12,050.43
	$500,000,000	$17,874.03
	$750,000,000	$22,408.53
	$1,000,000,000	$26,292.22
	$1,500,000,000	$33,202.57
	$2,000,000,000	$38,896.28
	$2,500,000,000	$43,919.90
	$5,000,000,000	$63,833.72
	$7,500,000,000	$79,819.66
	$10,000,000,000	$93,158.37
	$15,000,000,000	$115,044.95
	$20,000,000,000	$133,576.35
	$25,000,000,000	$150,131.01
	$50,000,000,000	$215,843.48
	$75,000,000,000	$267,317.67
	$100,000,000,000	$312,510.21
Each Additional $1B		$1,807.70

ADDITIONAL RULES:
LINEAR INTERPOLATION:
Perform linear interpolation to determine the Base Premium for Revenue Sizes that are in-between the bands of the above table.

Manual Page: CC-Cyber-BP-1

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LIMIT-RETENTION FACTOR

LIMIT RETENTION

The table below assumes a Base Occurrence Limit of $1,000,000 and a Base Retention of $10,000.
Determine the Limit/Retention Factor via the below formula:

Limit/Retention Factor = Factor (for *Total Limit*) – Factor (for Retention), where
Total Limit = Limit + Retention

For example, the Limit/Retention Factor for a $500K Limit and a $25K Retention would be calculated as follows:

Total Limit = 500,000 + 25,000
Limit/Retention Factor = Factor (for 525,000) – Factor (for 25,000) = 0.7293– 0.0839 = **0.6454**

Limit/Retention Option	Factor	Limit/Retention Option	Factor	Limit/Retention Option	Factor	Limit/Retention Option	Factor
-	-0.1879	525,000	0.7293	6,000,000	2.2435	32,000,000	4.5626
1,000	-0.1135	550,000	0.7470	7,000,000	2.3983	33,000,000	4.6217
2,500	-0.0804	575,000	0.7636	8,000,000	2.5402	34,000,000	4.6797
5,000	-0.0449	600,000	0.7801	9,000,000	2.6726	35,000,000	4.7364
10,000	0.0000	625,000	0.7967	10,000,000	2.7955	36,000,000	4.7920
20,000	0.0603	650,000	0.8121	11,000,000	2.9113	37,000,000	4.8463
25,000	0.0839	675,000	0.8274	12,000,000	3.0213	38,000,000	4.9007
50,000	0.1702	700,000	0.8416	13,000,000	3.1253	39,000,000	4.9539
75,000	0.2340	725,000	0.8558	14,000,000	3.2246	40,000,000	5.0059
100,000	0.2849	750,000	0.8712	15,000,000	3.3203	41,000,000	5.0579
125,000	0.3286	775,000	0.8842	16,000,000	3.4125	42,000,000	5.1087
150,000	0.3676	800,000	0.8983	17,000,000	3.5012	43,000,000	5.1584
175,000	0.4031	825,000	0.9113	18,000,000	3.5863	44,000,000	5.2080
200,000	0.4362	850,000	0.9255	19,000,000	3.6690	45,000,000	5.2565
225,000	0.4657	875,000	0.9374	20,000,000	3.7482	46,000,000	5.3050
250,000	0.4941	900,000	0.9504	21,000,000	3.8262	47,000,000	5.3522
275,000	0.5213	925,000	0.9634	22,000,000	3.9019	48,000,000	5.3995
300,000	0.5461	950,000	0.9752	23,000,000	3.9752	49,000,000	5.4456
325,000	0.5697	975,000	0.9882	24,000,000	4.0461	50,000,000	5.4905
350,000	0.5922	1,000,000	1.0000	25,000,000	4.1158		
375,000	0.6147	1,500,000	1.2092	26,000,000	4.1844		
400,000	0.6348	2,000,000	1.3794	27,000,000	4.2506		
425,000	0.6560	2,500,000	1.5260	28,000,000	4.3156		
450,000	0.6749	3,000,000	1.6548	29,000,000	4.3794		
475,000	0.6939	4,000,000	1.8794	30,000,000	4.4421		
500,000	0.7116	5,000,000	2.0733	31,000,000	4.5024		

ADDITIONAL RULES:

LINEAR INTERPOLATION:
Perform linear interpolation to determine the Limit/Retention Factor for options that are in-between the bands of the above table.

MINIMUM LIMITS:
Limits under $1M may not be available in some jurisdictions.

LIMIT SHARING:
Use the table on manual page CC-Cyber-CM-1 to determine the credit for limits that are shared.

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SPLIT LIMIT FACTOR

A Split Limit Factor contemplates the change in policy value ("Retained Value") that occurs when the relationship between the aggregate limit and the occurrence limit varies. The Split Limit Factor is determined via the below formula:

Retained Value = 1 + [(Aggregate Limit – Occurrence Limit) / Occurrence Limit]

When the Occurrence is equal to the Aggregate Limit, the Retained Value is 1.00.

For example, the Split Limit Factor for a $1M Occurrence Limit and $3M Aggregate Limit would be calculated as follows:

Retained Value = 1 + [(3M-1M)/1M] = 1 + (2/1) = 3.00
Split Limit Factor = 1.1272

Retained Value	Split Limit Factor	Retained Value	Split Limit Factor	Retained Value	Split Limit Factor	Retained Value	Split Limit Factor	Retained Value	Split Limit Factor
1.00	1	5.20	1.2411	9.40	1.3412	13.60	1.4076	17.80	1.4582
1.20	1.0201	5.40	1.2472	9.60	1.3449	13.80	1.4103	18.00	1.4603
1.40	1.0374	5.60	1.2532	9.80	1.3485	14.00	1.413	18.20	1.4624
1.60	1.0526	5.80	1.259	10.00	1.3521	14.20	1.4156	18.40	1.4645
1.80	1.0662	6.00	1.2646	10.20	1.3556	14.40	1.4182	18.60	1.4666
2.00	1.0785	6.20	1.27	10.40	1.359	14.60	1.4208	18.80	1.4686
2.20	1.0897	6.40	1.2753	10.60	1.3624	14.80	1.4233	19.00	1.4707
2.40	1.1001	6.60	1.2804	10.80	1.3658	15.00	1.4258	19.20	1.4727
2.60	1.1098	6.80	1.2855	11.00	1.3691	15.20	1.4283	19.40	1.4747
2.80	1.1188	7.00	1.2904	11.20	1.3723	15.40	1.4308	19.60	1.4767
3.00	1.1272	7.20	1.2951	11.40	1.3755	15.60	1.4332	19.80	1.4786
3.20	1.1352	7.40	1.2998	11.60	1.3786	15.80	1.4356	20.00	1.4806
3.40	1.1427	7.60	1.3043	11.80	1.3817	16.00	1.4379		
3.60	1.1498	7.80	1.3088	12.00	1.3848	16.20	1.4403		
3.80	1.1566	8.00	1.3131	12.20	1.3878	16.40	1.4426		
4.00	1.1631	8.20	1.3174	12.40	1.3907	16.60	1.4449		
4.20	1.1693	8.40	1.3215	12.60	1.3936	16.80	1.4472		
4.40	1.1753	8.60	1.3256	12.80	1.3965	17.00	1.4494		
4.60	1.181	8.80	1.3296	13.00	1.3994	17.20	1.4516		
4.80	1.1865	9.00	1.3335	13.20	1.4022	17.40	1.4538		
5.00	1.1918	9.20	1.3374	13.40	1.4049	17.60	1.456		

ADDITIONAL RULES:

LINEAR INTERPOLATION:
Perform linear interpolation to determine the Split Limit Factor for options that are in-between the bands of the above table.

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INDUSTRY MODIFIER

The Industry Modifier reflects the degree of underwriting concern regarding the Cyber loss exposure associated with the various industries of potential clients.

TABLE:

Hazard Group	Description	Factor
1	Underwriting confidence with regard to the industry of the Applicant	0.40 – 0.80
2	Little to no underwriting concern with regard to the industry of the Applicant	0.80 – 1.00
3	Low/Moderate degree of underwriting concern with regard to the industry of the Applicant	1.00 – 1.20
4	High/Very High degree of underwriting concern with regard to the industry of the Applicant	1.20 – 1.60

Cyber Rating Manual

RISK-SPECIFIC FACTOR

Rating Factor Applicability (by "Risk Size"):

MICRO Risks	SMALL Risks	MEDIUM Risks	LARGE Risks
Claims History Factor	Claims History Factor	Claims History Factor	Claims History Factor
Nature of Operations	Nature of Operations	Nature of Operations	Nature of Operations
	Data Compliance Factor	Data Compliance Factor	Data Compliance Factor
Health of Industry Factor	Health of Industry Factor	Health of Industry Factor	Health of Industry Factor
Complexity of Risk Factor	Complexity of Risk Factor	Complexity of Risk Factor	Complexity of Risk Factor
	Security Controls Factor	Security Controls Factor	Security Controls Factor
Future Outlook Factor	Future Outlook Factor	Future Outlook Factor	Future Outlook Factor
		Data Aggregation and Retention Factor	Data Aggregation and Retention Factor
		Password and Authentication Factor	Password and Authentication Factor
		Data Access Factor	Data Access Factor
		Incident Response Plan Factor	Incident Response Plan Factor
		Awareness and Training Factor	Awareness and Training Factor
		Patch Maintenance Factor	Patch Maintenance Factor
			Security Assessment Factor
			Internal Data Protection Factor
			Computer System Interruption Loss Factor
			Governance Factor
			3rd Party Vendor Access Factor
Endorsement Factor	Endorsement Factor	Endorsement Factor	Endorsement Factor
Over-Insuring Factor	Over-Insuring Factor	Over-Insuring Factor	Over-Insuring Factor

"Risk Size" categorization shall be assigned based on the Definitions below that best describes the risk:	
MICRO Risk	Defined as a risk that generally: - has less than $5m in revenue Other characteristics of "micro risks" would generally include: sole proprietor or personal relationship between owner and employees, heavy reliance on SaaS
SMALL Risk	Defined as a risk that generally: - has less than $25m in revenue Other characteristics of "small risks" would generally include: outsources IT responsibilities, informal IT security procedures, uses variety of 3rd party systems
MEDIUM Risk	Defined as a risk that generally: - has $25m to $500m in revenue Other characteristics of "medium risks" would generally include: IT security and management performed by variety of individuals, greater separation between owners and employees, mix of formal and informal IT Security policies and procedures, mix of internal and 3rd party storage and systems
LARGE Risk	Defined as a risk that generally greater than $500m in revenue Other characteristics of "large risks" would generally include: designated role for IT security in place (CISO), formal systems in place for IT security, greater reliance on internal systems, hierarchal management structure

The **RISK-SPECIFIC FACTOR** shall be the product of all factors in scope (as described above).

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RISK-SPECIFIC FACTOR (continued)

CLAIMS HISTORY FACTOR

SUMMARY:
Reflects the degree of underwriting comfort/concern regarding the likelihood of future claims or negative impact from past claims based on the account's claim history. Claims frequency and claim severity is evaluated as a predictor of future claims potential.

TABLE:

Claims History	Factor
None	1.00
Minimal	1.10 – 1.20
Material	1.20 – 1.75
Significant	1.75 – 2.50

CONSIDERATIONS:
What is the nature of the claims that have been submitted, if any? How many claims have resulted in insurance payments (or had a significant impact on the insured)? Are there any trends in the account's claims history? Has the insured implemented any corrective measures to minimize loss frequency or severity? Has the applicant experience any network security breaches or data losses in the past 3 years?

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RISK-SPECIFIC FACTOR (continued)

NATURE OF OPERATIONS FACTOR

SUMMARY:
The nature of operations factor reflects the degree of underwriting concern or confidence in the applicant's operations and the risks adherent to such operations.

TABLE:

Nature of Operations	Factor
Low Risk/Confident	0.50 – 0.95
Average Risk	0.95 – 1.05
High Risk/Cause for Concern	1.05 – 2.00

CONSIDERATIONS:
What is the predominant nature of the activities of the insured in relation to cyber liability? Does the insured take part in activities that would be more likely to incur cyber liability costs in the event of a breach, such as collecting high risk data? What are operations-specific elements (if any) that might be cause for underwriting concern or comfort?

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RISK-SPECIFIC FACTOR (continued)

DATA COMPLIANCE FACTOR

SUMMARY:
Reflects the degree of underwriting comfort/concern regarding the applicant's compliance with the relevant regulations for their industry. Base rates assume compliance.

TABLE:

Data Compliance	Factor
Comfortable	1.00
Moderate	1.00 – 1.20
Concerning	1.20 – 1.50

CONSIDERATIONS:
Is the applicant compliant with all federal and state regulations pertaining to data protection and their specific industry, i.e. HIPPA, HITECH, GLBA, DPPA, PCI/DSS? Is the insured subject to emerging state and federal regulations such as NYDFS?

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RISK-SPECIFIC FACTOR (continued)

HEALTH OF INDUSTRY FACTOR

SUMMARY:
Reflects the degree of underwriting comfort/concern regarding the health of applicant's industry at the present moment. Temporal industry trends, such as regulatory scrutiny reported in the media, government and administration changes, and other external conditions/trends play a significant role in the "moment in time" risk levels of the industries of potential applicants. Generally, risk is lower for industries that are not negatively impacted by current economic and regulatory trends (and higher for those that are).

TABLE:

Health of Industry	Factor
Prospering during current economic and regulatory trends	0.75 – 0.95
Managing or Minimally impacted by current negative economic and regulatory trends	0.95 – 1.05
Heavily impacted by current negative economic and regulatory trends	1.05 – 1.30

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RISK-SPECIFIC FACTOR (continued)

COMPLEXITY OF RISK FACTOR

SUMMARY:
Reflects the degree of underwriting comfort/concern regarding the level of a risk's complexity. Generally, risk is lower for entities that are not inappropriately decentralized and rather concentrate their efforts on one core business activity. Underwriters may look unfavorably on companies who are involved in too many unrelated areas.

TABLE:

Complexity of Risk	Factor
Comfortable (Uncomplicated risk)	0.80 – 0.95
Moderate (Tolerable degree of complexity to risk)	0.95 – 1.05
Concerning (Unfavorable degree of complexity to risk)	1.05 – 2.00

CONSIDERATIONS:
Does the organization operate in many different industries? Does the organization have foreign operations? To what extent are their operations decentralized (if at all)? Is the organization subject to unique regulatory requirements?

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RISK-SPECIFIC FACTOR (continued)

SECURITY CONTROLS FACTOR

SUMMARY:
Reflects the degree of underwriting comfort/concern regarding the technical safeguards utilized to protect a computer network and/or data and the confidence that the current security infrastructure can effectively mitigate a potential security incident

TABLE:

Security Controls	Factor
Above Average	0.80 – 0.95
Average	0.95 – 1.05
Below Average	1.05 – 1.20

CONSIDERATIONS:
Are commercially available software and hardware tools utilized, including but not limited to firewalls, anti-virus and data loss prevention tools? Are encryption protocols in place for mobile devices and for internal to external messages in-transit? Does the applicant employ network monitoring tools, such as egress monitoring, IDS, and WAF? Do major gaps in the security infrastructure exist?

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RISK-SPECIFIC FACTOR (continued)

FUTURE OUTLOOK FACTOR

SUMMARY:

Reflects the degree of underwriting comfort/concern with regard to the organization's future outlook re: their ability to meet its strategic objectives and business plan goals. Underwriters evaluate the future outlook of the company based on their overall business strategy and their ability to meet the needs of customers based on that plan. Generally, confidence is higher for organizations who clearly have the means/resources/ability to pursue/meet the goals of their strategic objectives and business plan.

TABLE:

Future Outlook	Factor
Positive	0.80 – 0.95
Neutral	0.95 – 1.05
Concerning	1.05 – 1.60

CONSIDERATIONS:

Does the company's growth suggest increased cyber exposure in the future outside of expected levels? Does the company have plans in place to improve cyber security practices over the next year?

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RISK-SPECIFIC FACTOR (continued)

DATA AGGREGATION AND RETENTION FACTOR

SUMMARY:
Reflects the degree of underwriting comfort/concern regarding how much data the applicant collects on its clients and the procedures in place for destroying held PII.

TABLE:

Data Aggregation and Retention	Factor
Confident	0.90 – 0.95
Neutral	0.95 – 1.05
Concerning	1.05 – 1.20

CONSIDERATIONS:
Does the applicant collect and aggregate copious amounts of data? Does the company destroy collected data when no longer required? Does the applicant have a defined procedure to destroy data regularly and in a timely manner?

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RISK-SPECIFIC FACTOR (continued)

PASSWORD AND AUTHENTICATION FACTOR

SUMMARY:
Reflects the degree of underwriting comfort/concern regarding the technical safeguards and company procedures surrounds password controls and user authentication

TABLE:

Password and Authentication	Factor
Above Average	0.90 – 0.95
Average	0.95 – 1.05
Below Average	1.05 – 1.10

CONSIDERATIONS:
Does the applicant follow the NIST guideline for password controls? Does the applicant allow remote access to servers, and if so is 2FA used? Is 2FA required for all log-ins, regardless of access point?

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RISK-SPECIFIC FACTOR (continued)

DATA ACCESS FACTOR

SUMMARY:
Reflects the degree of underwriting comfort/concern regarding how the applicant controls employee access to sensitive data

TABLE:

Data Access	Factor
Above Average	0.90 – 1.00
Average	1.00
Below Average	1.00 – 1.10

CONSIDERATIONS:
Does the applicant restrict employee access to sensitive data? Is employee access reviewed regularly? Is employee access to sensitive data monitored? Are there procedures in place to revoke access for a terminated employee?

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RISK-SPECIFIC FACTOR (continued)

INCIDENT RESPONSE PLAN FACTOR

SUMMARY:
Accounts for whether the applicant has an incident response plan

TABLE:

Incident Response Plan	Factor
Regularly tested and reviewed incident response plan	0.90 – 1.00
Incident response plan; not regularly tested	1.00
No incident response plan	1.00-1.10

CONSIDERATIONS:
Does the applicant have an incident response plan in place? Is this plan regularly tested and reviewed?

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RISK-SPECIFIC FACTOR (continued)

AWARENESS AND TRAINING FACTOR

SUMMARY:
Reflects the degree of underwriting comfort/concern regarding training and awareness programs regarding network security and data privacy conducted for employees by the applicant

TABLE:

Awareness and Training	Factor
Above Average	0.90 – 1.00
Average	1.00
Below Average	1.00-1.10

CONSIDERATIONS:
Are employees trained on network security and privacy? Is this training regular? Does the employee offer awareness programs for data privacy? Does the company conduct table top exercises for network security and breach incidents?

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RISK-SPECIFIC FACTOR (continued)

PATCH MAINTENANCE FACTOR

SUMMARY:
Reflects the degree of underwriting comfort/concern regarding the applicant's procedures and policies concerning patching and updating critical software

TABLE:

Patch Maintenance	Factor
Above Average	0.90 – 0.95
Average	0.95 – 1.05
Below Average	1.05 – 1.10

CONSIDERATIONS:
Are software patches implemented on a regular basis? How often are patches implemented? How often are critical systems updated? Is an emphasis placed on critical patch implementation?

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RISK-SPECIFIC FACTOR (continued)

SECURITY ASSESSMENT FACTOR

SUMMARY:
Reflects the degree of underwriting comfort/concern regarding the applicant's practices concerning assessment of their current security infrastructure.

TABLE:

Security Assessment	Factor
Above Average	0.90 – 1.00
Average	1.00
Below Average	1.00-1.10

CONSIDERATIONS:
Does the company perform security audits of internal systems? Are these audits performed internally or by a third party? Are there formalized procedures in place to implement changes? Does the company perform penetration tests on key company systems and servers, such as SQL injection testing?

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RISK-SPECIFIC FACTOR (continued)

INTERNAL DATA PROTECTION FACTOR

SUMMARY:
Reflects the degree of underwriting comfort/concern regarding the technical safeguards a company has in place for their most sensitive data.

TABLE:

Internal Data Protection	Factor
Above Average	0.90 – 1.00
Average	1.00
Below Average	1.00 – 1.10

CONSIDERATIONS:
Does the applicant know what are their "crown jewels" of data? Is the most sensitive data encrypted and/or segmented within their servers? Is all data encrypted at rest?

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RISK-SPECIFIC FACTOR (continued)

COMPUTER SYSTEM INTERRUPTION LOSS FACTOR

SUMMARY:
Reflects the degree of underwriting comfort/concern regarding the company's ability to mitigate and/or recover from an outage of their network which may cause income loss.

TABLE:

Computer System Interruption Loss	Factor
Above Average	0.90 – 0.95
Average	0.95 – 1.05
Below Average	1.05 – 1.10

CONSIDERATIONS:
Does the company have a Disaster Recovery and/or Business Continuity (DR/BC) Plan in place? Is the DR/BC plan tested at least annually? How much revenue is generated on an annual basis? Is the applicant able to operate during a partial network outage? Does the applicant outsource any portion of their network operation to a third party? Does the applicant regularly back up critical data to a secure off-site.

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RISK-SPECIFIC FACTOR (continued)

GOVERNANCE FACTOR

SUMMARY:
Reflects the degree of underwriting comfort/concern regarding the company's defining of a cyber security role?

TABLE:

Governance	Factor
Above Average	0.90 – 0.95
Average	0.95 – 1.05
Below Average	1.05 – 1.10

CONSIDERATIONS:
Does the company have a CISO or dedicated role for cyber security? Is this position at the C-Suite level? Does the company have board buy-in for cyber security policies and practices? How much of the IT budget is dedication to IT security?

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RISK-SPECIFIC FACTOR (continued)

3rd PARTY VENDOR ACCESS FACTOR

SUMMARY:
Reflects the degree of underwriting comfort/concern regarding the company's defining of a cyber-security role?

TABLE:

3rd Party Vendor Access	Factor
Above Average	0.90 – 0.95
Average	0.95 – 1.05
Below Average	1.05 – 1.10

CONSIDERATIONS:
Is 3rd party access to critical systems allowed? IF so, is the activity monitored? Are 3rd party privacy policies reviewed by an attorney? Are audits performed on 3rd party security systems?

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RISK-SPECIFIC FACTOR (continued)

ENDORSEMENTS FACTOR

SUMMARY:
Reflects the degree of underwriting comfort/concern with respect to the overall impact of the endorsements attached to the policy.

TABLE:

Endorsements	Factor
Confident	0.80 – 1.00
Comfortable	1.00
Low Concern	1.00 – 1.15
Moderate Concern	1.15 – 1.35
High Concern	1.35 – 1.60

CONSIDERATIONS:
Not including those rated separately, how many coverage-expanding endorsements are being attached? How many coverage-restricting endorsements are being attached? Are these endorsements slightly, moderately or extremely expansive/restrictive *in nature*? Are these endorsements slightly, moderately or extremely expansive/restrictive *with respect to this particular risk*? What is the overall effect on coverage in consideration of all expansive/restrictive endorsements attached?

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RISK-SPECIFIC FACTOR (continued)

OVER-INSURING FACTOR

SUMMARY:
Reflects the degree of underwriting comfort/concern regarding a limit greater than the annual revenue of the insured when limits are greater than to 3M. Based on the proportion of limit to entity's revenue (Occurrence Limit / Annual Revenue).

TABLE:

Over-Insuring	Factor
Less than 2 times total revenue	1.00
Greater than or equal to 2 times total revenue and less than 4 times total revenue	1.00-2.00
Greater than or equal to 4 times total revenue and less than 10 times total revenue	2.00 – 3.00
Greater than or equal to 10 times total Revenue	3.00 – 6.00

CONSIDERATIONS:
Why is the insured over insuring? Is this due to contractual reason? What extra risk are we exposed to through granting these limits? Are we comfortable insuring a full year of Business Interruption Costs?

OPTIONAL COVERAGES

CYBER CRIME PACKAGE LIMIT OF LIABILITY
A sub-limited Cyber Crime Package Limit of Liability is assumed in the base premium and warrants a credit if removed/decreased, or a debit if increased:

Cyber Crime Sub-Limit (Percentage of Cyber Limit)	Credit/Debit	Cyber Crime Sub-Limit (Percentage of Cyber Limit)	Credit/Debit
Not Provided (0%)	-6.92%	50%	9.55%
2.50%	-3.64%	55%	10.41%
5%	-2.16%	60%	11.25%
10%	0.00%	65%	12.05%
15%	1.69%	70%	12.82%
20%	3.13%	75%	13.57%
25%	4.42%	80%	14.29%
30%	5.59%	85%	14.99%
35%	6.67%	90%	15.68%
40%	7.68%	95%	16.35%
45%	8.64%	100%	17.00%

ADDITIONAL RULES:
1) Applicable % = (Limit – Retention) / (Limit – Policy Retention) *Limit / Policy Limit
2) Perform linear interpolation for percentages that are in-between the % bands of the above table

UTILITY FRAUD LIMIT OF LIABILITY
A sub-limited Utility Fraud Limit of Liability is assumed in the base premium and warrants a credit if removed/decreased, or a debit if increased:

Utility Fraud Sub-Limit (Percentage of Cyber Limit)	Credit/Debit	Utility Fraud Sub-Limit (Percentage of Cyber Limit)	Credit/Debit
Not Provided (0%)	-3.60%	50%	1.63%
2.50%	-2.56%	55%	1.91%
5%	-2.09%	60%	2.17%
10%	-1.40%	65%	2.43%
15%	-0.87%	70%	2.67%
20%	-0.41%	75%	2.91%
25%	0.00%	80%	3.14%
30%	0.37%	85%	3.36%
35%	0.72%	90%	3.58%
40%	1.04%	95%	3.79%
45%	1.34%	100%	4.00%

ADDITIONAL RULES:
1) Applicable % = (Limit – Retention) / (Limit – Policy Retention) *Limit / Policy Limit
2) Perform linear interpolation for percentages that are in-between the % bands of the above table

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OPTIONAL COVERAGES (continued)

REPUTATIONAL HARM LIMIT OF LIABILITY
A sub-limited Reputational Harm Limit of Liability is assumed in the base premium and warrants a credit if removed/decreased, or a debit if increased:

Reputational Harm Sub-Limit (Percentage of Cyber Limit)	Credit/Debit	Reputational Harm Sub-Limit (Percentage of Cyber Limit)	Credit/Debit
Not Provided (0%)	-0.90%	50%	0.41%
2.50%	-0.64%	55%	0.48%
5%	-0.52%	60%	0.54%
10%	-0.35%	65%	0.61%
15%	-0.22%	70%	0.67%
20%	-0.10%	75%	0.73%
25%	0.00%	80%	0.78%
30%	0.09%	85%	0.84%
35%	0.18%	90%	0.90%
40%	0.26%	95%	0.95%
45%	0.34%	100%	1.00%

ADDITIONAL RULES:
1) Applicable % = (Limit – Retention) / (Limit – Policy Retention) *Limit / Policy Limit
2) Perform linear interpolation for percentages that are in-between the % bands of the above table

BRICKING LIMIT OF LIABILITY
A sub-limited Bricking Limit of Liability is assumed in the base premium and warrants a credit if removed/decreased, or a debit if increased:

Bricking Sub-Limit (Percentage of Cyber Limit)	Credit/Debit	Bricking Sub-Limit (Percentage of Cyber Limit)	Credit/Debit
Not Provided (0%)	-0.81%	50%	1.12%
2.50%	-0.43%	55%	1.23%
5%	-0.25%	60%	1.32%
10%	0.00%	65%	1.42%
15%	0.20%	70%	1.51%
20%	0.37%	75%	1.60%
25%	0.52%	80%	1.68%
30%	0.66%	85%	1.76%
35%	0.78%	90%	1.84%
40%	0.90%	95%	1.92%
45%	1.02%	100%	2.00%

ADDITIONAL RULES:
1) Applicable % = (Limit – Retention) / (Limit – Policy Retention) *Limit / Policy Limit
2) Perform linear interpolation for percentages that are in-between the % bands of the above table

Cyber Rating Manual

OPTIONAL COVERAGES (continued)

ENHANCED PRIVACY REGULATION
A sub-limited Enhanced Privacy Regulation Limit of Liability is assumed in the base premium and warrants a credit if removed/decreased, or a debit if increased:

Enhanced Privacy Regulation Sub-Limit (Percentage of Cyber Limit)	Credit/Debit	Enhanced Privacy Regulation Sub-Limit (Percentage of Cyber Limit)	Credit/Debit
Not Provided (0%)	-1.80%	50%	0.82%
2.50%	-1.28%	55%	0.95%
5%	-1.04%	60%	1.09%
10%	-0.70%	65%	1.21%
15%	-0.43%	70%	1.34%
20%	-0.20%	75%	1.45%
25%	0.00%	80%	1.57%
30%	0.19%	85%	1.68%
35%	0.36%	90%	1.79%
40%	0.52%	95%	1.90%
45%	0.67%	100%	2.00%

ADDITIONAL RULES:
1) Applicable % = (Limit – Retention) / (Limit – Policy Retention) *Limit / Policy Limit
2) Perform linear interpolation for percentages that are in-between the % bands of the above table

SYSTEM FAILURE LIMIT OF LIABILITY
A sub-limited Systems Failure Limit of Liability is assumed in the base premium and warrants a credit if removed/decreased, or a debit if increased:

Systems Failure Sub-Limit (Percentage of Cyber Limit)	Credit/Debit	Systems Failure Sub-Limit (Percentage of Cyber Limit)	Credit/Debit
Not Provided (0%)	-1.85%	50%	2.55%
2.50%	-0.98%	55%	2.78%
5%	-0.58%	60%	3.00%
10%	0.00%	65%	3.22%
15%	0.45%	70%	3.44%
20%	0.84%	75%	3.64%
25%	1.18%	80%	3.82%
30%	1.49%	85%	4.02%
35%	1.78%	90%	4.20%
40%	2.05%	95%	4.36%
45%	2.31%	100%	4.55%

ADDITIONAL RULES:
1) Applicable % = Limit / Policy Limit
2) Perform linear interpolation for percentages that are in-between the % bands of the above table

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OPTIONAL COVERAGES (continued)

DEPENDENT BUSINESS INTERRUPTION LIMIT OF LIABILITY
A sub-limited Dependent Business Interruption (DBI) Limit of Liability is assumed in the base premium and warrants a credit if removed/decreased, or a debit if increased:

DBI Sub-Limit (Percentage of Cyber Limit)	Credit/Debit	DBI Sub-Limit (Percentage of Cyber Limit)	Credit/Debit
Not Provided (0%)	-2.58%	50%	3.58%
2.50%	-1.36%	55%	3.89%
5%	-0.80%	60%	4.22%
10%	0.00%	65%	4.51%
15%	0.64%	70%	4.80%
20%	1.16%	75%	5.07%
25%	1.65%	80%	5.34%
30%	2.09%	85%	5.62%
35%	2.49%	90%	5.87%
40%	2.87%	95%	6.13%
45%	3.24%	100%	6.36%

ADDITIONAL RULES:
1) Applicable % = Limit / Policy Limit
2) Perform linear interpolation for percentages that are in-between the % bands of the above table

DEPENDENT SYSTEMS FAILURE LIMIT OF LIABILITY
A sub-limited Dependent Systems Failure (DSF) Limit of Liability is assumed in the base premium and warrants a credit if removed/decreased, or a debit if increased:

DSF Sub-Limit (Percentage of Cyber Limit)	Credit/Debit	DSF Sub-Limit (Percentage of Cyber Limit)	Credit/Debit
Not Provided (0%)	-3.69%	50%	5.11%
2.50%	-1.95%	55%	5.56%
5%	-1.15%	60%	6.02%
10%	0.00%	65%	6.44%
15%	0.91%	70%	6.85%
20%	1.67%	75%	7.25%
25%	2.36%	80%	7.64%
30%	2.98%	85%	8.02%
35%	3.56%	90%	8.38%
40%	4.11%	95%	8.74%
45%	4.62%	100%	9.09%

ADDITIONAL RULES:
1) Applicable % = Limit / Policy Limit
2) Perform linear interpolation for percentages that are in-between the % bands of the above table

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OPTIONAL COVERAGES (continued)

FIRST PARTY BUSINESS INTRUPTION COVERAGE ADJUSTMENT
A full First Party Business Interruption (BI) Limit is assumed in the base premium and warrants a credit if removed/decreased:

BI Sub-Limit (Percentage of Cyber Limit)	Credit	BI Sub-Limit (Percentage of Cyber Limit)	Credit
Not Provided (0%)	-12.00%	50%	-3.74%
2.50%	-10.36%	55%	-3.30%
5%	-9.61%	60%	-2.89%
10%	-8.53%	65%	-2.49%
15%	-7.68%	70%	-2.10%
20%	-6.96%	75%	-1.72%
25%	-6.31%	80%	-1.36%
30%	-5.73%	85%	-1.01%
35%	-5.18%	90%	-0.66%
40%	-4.67%	95%	-0.33%
45%	-4.20%	100%	0.00%

ADDITIONAL RULES:
1) Applicable % = Limit / Policy Limit
2) Perform linear interpolation for percentages that are in-between the % bands of the above table

CYBER EXTORTION COVERAGE ADJUSTMENT
A full Cyber Extortion Limit of Liability is assumed in the base premium and warrants a credit if removed/decreased:

Cyber Extortion Sub-Limit (Percentage of Cyber Limit)	Credit	Cyber Extortion Sub-Limit (Percentage of Cyber Limit)	Credit
Not Provided (0%)	-10.00%	50%	-3.12%
2.50%	-8.63%	55%	-2.75%
5%	-8.01%	60%	-2.41%
10%	-7.11%	65%	-2.07%
15%	-6.40%	70%	-1.75%
20%	-5.80%	75%	-1.44%
25%	-5.26%	80%	-1.13%
30%	-4.77%	85%	-0.84%
35%	-4.32%	90%	-0.55%
40%	-3.90%	95%	-0.27%
45%	-3.50%	100%	0.00%

ADDITIONAL RULES:
1) Applicable % = Limit / Policy Limit
2) Perform linear interpolation for percentages that are in-between the % bands of the above table

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OPTIONAL COVERAGES (continued)

DATA RESTORATION COVERAGE ADJUSTMENT
A full Cyber Extortion Limit of Liability is assumed in the base premium and warrants a credit if removed/decreased:

Cyber Extortion Sub-Limit (Percentage of Cyber Limit)	Credit	Cyber Extortion Sub-Limit (Percentage of Cyber Limit)	Credit
Not Provided (0%)	-3.50%	50%	-1.09%
2.50%	-3.02%	55%	-0.96%
5%	-2.80%	60%	-0.84%
10%	-2.49%	65%	-0.72%
15%	-2.24%	70%	-0.61%
20%	-2.03%	75%	-0.50%
25%	-1.84%	80%	-0.40%
30%	-1.67%	85%	-0.29%
35%	-1.51%	90%	-0.19%
40%	-1.36%	95%	-0.10%
45%	-1.22%	100%	0.00%

ADDITIONAL RULES:
1) Applicable % = Limit / Policy Limit
2) Perform linear interpolation for percentages that are in-between the % bands of the above table

3RD PARTY BREACH LIABILITY COVERAGE ADJUSTMENT
A full Breach Liability (Class Action, Regulatory Fines and PCI Fines) is assumed in the base premium and warrants a credit if removed/decreased:

Breach Liability Sub-Limit (Percentage of Cyber Limit)	Credit	Breach Liability Sub-Limit (Percentage of Cyber Limit)	Credit
Not Provided (0%)	-25.00%	50%	-7.79%
2.50%	-21.57%	55%	-6.88%
5%	-20.02%	60%	-6.01%
10%	-17.77%	65%	-5.18%
15%	-16.00%	70%	-4.37%
20%	-14.49%	75%	-3.59%
25%	-13.15%	80%	-2.83%
30%	-11.93%	85%	-2.10%
35%	-10.80%	90%	-1.38%
40%	-9.74%	95%	-0.68%
45%	-8.74%	100%	0.00%

ADDITIONAL RULES:
1) Applicable % = Limit / Policy Limit
2) Perform linear interpolation for percentages that are in-between the % bands of the above table

OPTIONAL COVERAGES (continued)

MEDIA LIABILITY COVERAGE ADDITION
No Media Liability Limit is assumed in the base premium and warrants a debit if added:

Media Liability Sub-Limit (Percentage of Cyber Limit)	Debit	Media Liability Sub-Limit (Percentage of Cyber Limit)	Debit
Not Provided (0%)	0.00%	50%	7.57%
2.50%	1.51%	55%	7.97%
5%	2.19%	60%	8.35%
10%	3.18%	65%	8.72%
15%	3.96%	70%	9.08%
20%	4.62%	75%	9.42%
25%	5.21%	80%	9.75%
30%	5.75%	85%	10.08%
35%	6.25%	90%	10.39%
40%	6.71%	95%	10.70%
45%	7.15%	100%	11.00%

ADDITIONAL RULES:
1) Applicable % = Limit / Policy Limit
2) Perform linear interpolation for percentages that are in-between the % bands of the above table

DEFENSE OUTSIDE LIMITS OF LIABILITY
A separate Defense Limit for Claims Expenses is available and warrants an additional premium if elected:

Additional Defense Limit (Percentage of Cyber Limit)	Debit	Additional Defense Limit (Percentage of Cyber Limit)	Debit
Not Provided (0%)	0.00%	50%	13.77%
2.5%	2.74%	55%	14.49%
5%	3.98%	60%	15.19%
10%	5.79%	65%	15.86%
15%	7.20%	70%	16.50%
20%	8.40%	75%	17.13%
25%	9.48%	80%	17.73%
30%	10.46%	85%	18.32%
35%	11.36%	90%	18.90%
40%	12.21%	95%	19.45%
45%	13.01%	100%	20.00%

ADDITIONAL RULES:
1) Applicable % = Limit / Policy Limit
2) Perform linear interpolation for percentages that are in-between the % bands of the above table

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OPTIONAL COVERAGES (continued)

BREACH COSTS OUTSIDE OF LIMIT
The Breach Cost Limit of Liability is assumed as part of the overall Cyber Limit. If the insured elects to have this limit outside of the Cyber Limit as a sub-limit or full limit, additional premium is warranted:

Breach Costs Limit (Percentage of Cyber Limit)	Debit	Breach Costs Limit (Percentage of Cyber Limit)	Debit
Not Provided (0%)	0.00%	50%	6.88%
2.5%	1.37%	55%	7.25%
5%	1.99%	60%	7.59%
10%	2.89%	65%	7.93%
15%	3.60%	70%	8.25%
20%	4.20%	75%	8.56%
25%	4.74%	80%	8.87%
30%	5.23%	85%	9.16%
35%	5.68%	90%	9.45%
40%	6.10%	95%	9.73%
45%	6.50%	100%	10.00%

ADDITIONAL RULES:
1) Applicable % = Limit / Policy Limit
2) Perform linear interpolation for percentages that are in-between the % bands of the above table
3) If the insured elects for "Per Affected Individual Breach Costs Limit of Liability", they CANNOT elect for "Breach Costs Outside of Limit"

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Cyber Rating Manual

OPTIONAL COVERAGES (continued)

PER AFFECT INDIVIUAL BREACH COSTS LIMIT OF LIABILITY
The Breach Cost Limit of Liability is assumed as part of the overall Cyber Limit. If the insured elects to replace this with a Per Affected Individual Notification Limit, with a sub-limit for associated Forensics, PR and Legal Costs, additional premium is warranted:

Forensics/PR/Legal Sub-Limit (Percentage of Cyber Limit)	50,000 Affected Individuals	100,000 Affected Individuals	250,000 Affected Individuals	500,000 Affected Individuals	1,000,000 Affected Individuals	2,000,000 Affected Individuals	4,000,000 Affected Individuals
Not Provided (0%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2.5%	0.33%	0.71%	1.20%	1.57%	1.94%	2.32%	2.54%
5%	0.49%	1.03%	1.74%	2.28%	2.83%	3.37%	3.68%
10%	0.71%	1.49%	2.53%	3.32%	4.10%	4.89%	5.35%
15%	0.88%	1.86%	3.15%	4.13%	5.11%	6.08%	6.66%
20%	1.03%	2.17%	3.68%	4.82%	5.96%	7.10%	7.77%
25%	1.16%	2.45%	4.15%	5.44%	6.72%	8.01%	8.76%
30%	1.28%	2.70%	4.58%	6.00%	7.42%	8.84%	9.67%
35%	1.39%	2.93%	4.97%	6.52%	8.06%	9.60%	10.51%
40%	1.49%	3.15%	5.34%	7.00%	8.66%	10.32%	11.29%
45%	1.59%	3.36%	5.69%	7.46%	9.23%	10.99%	12.03%
50%	1.68%	3.55%	6.03%	7.90%	9.77%	11.64%	12.73%
55%	1.77%	3.74%	6.34%	8.31%	10.28%	12.25%	13.40%
60%	1.86%	3.92%	6.65%	8.71%	10.77%	12.84%	14.04%
65%	1.94%	4.09%	6.94%	9.09%	11.25%	13.40%	14.66%
70%	2.02%	4.26%	7.22%	9.46%	11.71%	13.95%	15.26%
75%	2.09%	4.42%	7.50%	9.82%	12.15%	14.48%	15.84%
80%	2.17%	4.58%	7.76%	10.17%	12.58%	14.99%	16.40%
85%	2.24%	4.73%	8.02%	10.51%	13.00%	15.49%	16.94%
90%	2.31%	4.88%	8.27%	10.84%	13.40%	15.97%	17.47%
95%	2.38%	5.02%	8.51%	11.16%	13.80%	16.44%	17.99%
100%	2.44%	5.16%	8.75%	11.47%	14.19%	16.90%	18.49%

ADDITIONAL RULES:
1) Applicable % = Limit / Policy Limit
2) Perform linear interpolation for percentages that are in-between the % bands of the above table
3) If the insured elects for "Breach Costs Outside of Limit", they CANNOT elect for "Per Affected Individual Breach Costs Limit of Liability"

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OPTIONAL COVERAGES (continued)

WAITING PERIOD FOR BUSINESS INCOME AND EXTRA EXPENSES

For Business Income and Extra Expenses, the policy will only pay losses incurred after a specified "Waiting Period Time Deductible". This waiting period will also apply to the System Failure, Dependent Business Interruption, and Dependent System Failure. The base waiting period for a policy is **10 hours**, and warrants a debit if decreased, or a credit if increased:

Waiting Period (Hours)	Factor
6	9.52%
8	4.05%
10	0.00%
12	-3.19%
24	-14.43%

ADDITIONAL RULES:
1) Perform linear interpolation for hours that are in-between the waiting period bands of the above table

PERIOD OF RESTORATION FOR BUSINESS INCOME AND EXTRA EXPENSES

For Business Income and Extra Expenses, the policy will only pay losses incurred during a specified Period of Restoration. This Period of Restoration will also apply to the System Failure, Dependent Business Interruption, and Dependent System Failure. The base period of restoration for the policy is 120 days, and warrants a debit if increased, or a credit if decreased:

Period of Restoration (Days)	Factor
60	-3%
120	0%
180	6%
240	12%
360	24%

ADDITIONAL RULES:
1) Perform linear interpolation for days that are in-between the waiting period bands of the above table

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OPTIONAL COVERAGES (continued)

OTHER ENDORSEMENTS

Endorsement Description		Charge
Blanket Additional Insured (Primary/Non-Contributory); Waiver of Subrogation;	CYBCL-CYB E2014 CW	6.00%
Additional Insured (Primary and Non-Contributory; Waiver of Subrogation)	CYBCL-CYB E2040 CW	6.00%
Amend Cyber Crime Coverage (Primary to Other Crime Insurance)	CYBCL-CYB E2064 CW	5.00%
Amend Cyber Crime Coverage (Specifically Excess: Recognition of Erosion	CYBCL-CBY E2001 CW	5.00%

PREMIUM FOR OPTIONAL COVERAGES

To calculate the premium for the OPTIONAL COVERAGES that apply:

1) add all credits and debits calculated for each Optional Coverage;
2) multiply that sum by the total premium calculated (per the PREMIUM FORMULA on page CC-CYBER-MAIN-1)
3) the result is the Premium for Optional Coverages

Per page CC-Cyber-MAIN-1, the Premium for Optional Coverages is then added to the total premium to arrive at the final Cyber Premium.

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SHARED LIMIT CREDITS

A **Shared Limit Credit** is applied to each coverage part premium if that coverage part's sublimit – in whole or in part - is shared with other coverage parts (for example, the Cyber Coverage is purchased along with E&O, each having a $2M coverage part sublimit, and sharing one $3M Aggregate Limit). The shared limit credits contemplate the reduction in policy limit value that occurs when limits are shared and applies a credit inverse to value retained.   While a shared limit credit is applied to the premium of each coverage part that is sharing limits, there is no credit granted to any coverage part that has its own separate (i.e. unshared) limit.

Rules for Determining Shared Limit Credits:
1) Calculate the limit value that will be retained for each coverage part using the following formula:

   Retained Value = 1 + [(Adjusted Limit – Coverage Sublimit) / Coverage Sublimit] where:

   "**Coverage Sublimit**" = the limit of the coverage part receiving the credit; and
   "**Adjusted Limit**" = the Aggregate Limit for the policy divided by the number of coverage parts included in the share.

2) Using the following table, look up the Shared Limit Credit for each coverage part included in the share based on the Retained Value calculated for such coverage parts:

Retained Value		Shared Limit Credit:	Retained Value		Shared Limit Credit:
greater than or equal to:	0%	0.9205	greater than or equal to:	55%	0.9593
	5%	0.9240		60%	0.9628
	10%	0.9276		65%	0.9663
	15%	0.9311		70%	0.9698
	20%	0.9346		75%	0.9734
	25%	0.9381		80%	0.9769
	30%	0.9417		85%	0.9804
	35%	0.9452		90%	0.9839
	40%	0.9487		95%	0.9875
	45%	0.9522		100%	1.000
	50%	0.9557			

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ADDITIONAL RATING RULES:

MINIMUM PREMIUM

NONE

For coverage modifications where an additional premium is calculated, a minimum premium of $1 shall apply.

ROUNDING RULE

Round rates, factors and multipliers to three decimal places after calculation.
Round premium amounts to the nearest $1.

UNAVAILABLE RATING FACTOR INFORMATION RULE

To the extent that the underwriter is not able to obtain sufficient information to allow them to properly assess and evaluate the underwriting risk imposed by any applicable rating factor, the underwriter shall apply a neutral factor for such factor. The corresponding UW file information shall document that sufficient rating information could not be obtained from the insured or other available sources.

CANCELLATION

If the Cancellation is initiated by the insurer, the return premium shall be calculated on a pro-rata basis. If the Cancellation is initiated by the insured, the return premium may be less than pro-rata (if/as allowed by State).   A minimum earned premium of 25% shall apply to classes whose exposures warrant such a minimum.

POLICY PERIOD

Requests for policy periods longer or shorter than one year shall be accommodated on a pro-rata basis.
(Example: eighteen (18) month term shall be 1.5 times the one year manual premium; six (6) month terms shall be 0.5 times the one year manual premium; etc…)

PREMIUM DISCOUNTS

The following premium discounts will be applied to the total Cyber premium for qualifying policies:

Qualification	Premium Discount
Purchase a Cyber policy with at least one additional policy from the carrier	5%

TRANSITION RULE

The transition rule applies to existing policies and their current coverage parts being renewed by Hiscox Insurance Company Inc. It is to be used in the determination of premiums for:

I. The first second and third renewal of policies written on an annual basis, where the first renewal is the renewal of the policy after application of this plan:

   a.   The premium for the first annual renewal shall not be more than +5% of the premium applied at the last anniversary date.
   b.   The premium for the second renewal shall not be more than +5% of the premium of the first renewal.
   c.   The premium for the third renewal shall not be more than +5% of the premium of the second renewal

II. This rule will only apply if there are no changes to the limit, retention and sublimit options on the coverage parts that were previously written.

COMMISSION MODIFICATION

The policy premium contemplates a standard allowance for direct commission expenses. If direct commission expenses vary from the standard, the premium may be reduced to reflect this difference (e.g., a reduced commission paid to a producer who has a net of commission/"fee" basis arrangement in place with their client).

In such instances, the premium shall be credited by the exact amount of the commission reduction. (Example: If the product standard commission is 20% and the producer accepts a reduced commission of 0% (because of the existence of a "fee" arrangement with their client), the insured would receive a premium reduction of 20%).

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ADDITIONAL RATING RULES (continued):

ENDORSEMENTS:

ADDITIONAL INSUREDS

For any Additional Insured added by endorsement on other than a blanket basis, charge $25.

CERTIFIED ACTS OF TERRORISM COVERAGE

The additional charge for Certified Acts of Terrorism coverage shall be 1% of the premium for all LOBs/coverages subject to Certified Acts of Terrorism coverage offering requirements. This amount shall be denoted separately as the additional premium for "Certified Acts of Terrorism Coverage" on the required policy documents.

If coverage is rejected, there shall be no additional premium and Certified Acts of Terrorism coverage shall be specifically excluded by endorsement.

When the coverage included under this Manual is offered as part of a policy packaged with LOBs/coverages that are NOT applicable to Certified Acts of Terrorism Coverage offering requirements, the insurer shall not be obligated to offer/provide such coverage if the premium for the LOBs/coverages that *are* applicable is less than 25% of the total package policy premium.

OPTIONAL EXTENSION PERIODS

Optional Extension Period	
Years	Maximum % of Annual Premium
1	100%
2	150%
3	200%
4	250%
5	275%
6	300%
More than 6 Years	325%

Where Reinstatement is required:

Optional Extension Period	
Years	Maximum % of Annual Premium
Up to 3 years	300%
4 Years	400%
5 Years	500%
6 Years or More	600%

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