

Everest Cyber ElevationSM Policy
Everest National Insurance Company
State of District of Columbia

Overview

The Everest Cyber ElevationSM Policy is a cyber liability policy which allows both First and Third Party Coverage for Insureds that are companies or organizations.

Contents:

1. General Rules
2. Cyber Rating Plan

General Rules

1. Premium Charge(s)

- i. Premium is rated contemplating a twelve (12) month term.
- ii. Additional Premium Charge
 - a. Apply the rates and rules in effect on the effective date of the policy, or if the change is made after an anniversary date of the policy, apply the rates and rules in effect on that anniversary date.
 - b. Prorate all changes requiring additional premium.
 - c. Additional premiums at or below \$25 may be waived. This waiver applies only to that portion of the premium due on the effective date of the policy change.
- iii. Return Premium Charge
 - a. Compute return premium at the rates used to calculate the policy premium.
 - b. Compute return premium pro-rata and round to the next higher whole dollar when any coverage or exposure is deleted or an amount of insurance is reduced.
 - c. Return premiums of \$25 or less shall be waived. This waiver applies only to that portion of the return premium due on the effective date of the policy change.
 - d. Any return premium due to the insured must be granted if the insured requests it.

2. Policy Cancellation

Calculate return premium pro-rata and round to the next higher whole dollar when a policy is canceled.

3. Factors or Multipliers

Factors or multipliers are to be applied consecutively and not added together, unless otherwise specified.

4. Rounding Procedure

- i. Round rates, factors and multipliers after the final calculation to two decimal places.

Everest Cyber ElevationSM Policy
Everest National Insurance Company
State of District of Columbia

- ii. Round the premium for each coverage for which a separate premium is calculated to the nearest whole dollar. Round a premium involving \$0.50 or over to the next higher whole dollar.

5. Extended Reporting Period

If offered, the Insured can elect the Extended Reporting Period pursuant to the terms and conditions of the policy. The Extended Reporting Period will be outlined on the Everest Cyber ElevationSM Policy Declarations. When offered, the Additional Premium and Additional Period will be offered at negotiated values, respectively.

6. Run-Off Coverage Period

If offered, the Insured can elect the Run-Off Coverage Period pursuant to the terms and conditions of the policy. The Run-Off Coverage Period will be outlined separately on an Everest Cyber ElevationSM Policy endorsement. When offered, the One (1) year, Three (3) years, and Six (6) years options will be offered at negotiated values, respectively.

Everest Cyber ElevationSM Policy
Everest National Insurance Company
State of District of Columbia

CYBER RATING PLAN

The Cyber premium will be calculated as follows:

- (E1) Core Cyber Premium = Base Premium (Section 1.1) * Increased Limit Factor (Section 1.2) * Retention Factor (Section 1.3) * Rating Modifications (Section 2) * Schedule Rating Modifications (Section 3) * Endorsement Factor (Section 4.1)
- (E2) Regulatory Penalties Premium (Section 4.2)
- (E3) Breach Response Costs Premium (Section 4.3)
- (E4) Reputation Repair Endorsement Premium (Section 4.4)
- (E5) Cyber Extortion Costs Premium (Section 4.5)
- (E6) Business Interruption Loss Premium (Section 4.6)
- (E7) Contingent Business Interruption Loss Premium (Section 4.7)
- (E8) Data Loss Costs Premium (Section 4.8)
- (E9) Media Liability Premium (Section 4.9)
- (E10) PCI Assessments Premium (Section 4.10)
- (E11) PCI Recertification Costs Premium (Section 4.11)
- (E12) Social Engineering Endorsement Premium (Section 4.12)
- (E13) Technology Errors and Omissions Liability Premium (Section 4.13)
- (E14) System Failure Endorsement Premium (Section 4.14)
- (E15) Wrongful Collection Endorsement Premium (Section 4.15)
- (E16) Final Cyber Premium = (E1) + (E2) + (E3) + (E4) + (E5) + (E6) + (E7) + (E8) + (E9) + (E10) + (E11) + (E12) + (E13) + (E14) + (E15) + Terrorism Risk Insurance Program Reauthorization Act of 2015 Premium

Core Cyber Premium = Breach Liability Premium

The Terrorism Risk Insurance Program Reauthorization Act of 2015 Premium = \$0.00

Section 1: Base Premium, Increased Limit Factor, Retention Factor

1.1 Base premium

Base Premium is based on the insured's annual revenue size. Base premiums below are for \$1 million limit. For revenues below \$2,500,000, the base premium is \$1,000. For revenues greater than \$1 trillion, the base premium is \$35,700. For revenues not in the table below, linear interpolation should be used.

Revenue (\$)	Base Premium (\$)
2,500,000	1,000
5,000,000	1,450
10,000,000	2,100
25,000,000	3,600
50,000,000	5,100
75,000,000	5,850

Everest Cyber ElevationSM Policy
Everest National Insurance Company
State of District of Columbia

100,000,000	6,350
150,000,000	7,100
200,000,000	7,600
250,000,000	8,050
500,000,000	10,300
1,000,000,000	11,500
5,000,000,000	15,000
10,000,000,000	16,800
25,000,000,000	19,500
50,000,000,000	21,900
100,000,000,000	24,500
500,000,000,000	31,800
1,000,000,000,000	35,700

1.2 Increased Limit Factor

Limit (\$)	Revenue (\$) (in Millions)		
	0-50	>50 to 100	>100
10,000	0.420	0.401	0.382
25,000	0.440	0.420	0.400
100,000	0.535	0.511	0.486
250,000	0.715	0.683	0.650
300,000	0.757	0.721	0.688
500,000	0.890	0.850	0.809
1,000,000	1.000	1.000	1.000
2,000,000	1.750	1.666	1.581
3,000,000	2.358	2.205	2.052
4,000,000	2.850	2.642	2.434
5,000,000	3.249	2.996	2.743
6,000,000	3.572	3.283	2.993
7,000,000	3.834	3.515	3.196
8,000,000	4.046	3.703	3.360
9,000,000	4.218	3.856	3.493
10,000,000	4.357	3.979	3.601
11,000,000	4.470	4.079	3.688
12,000,000	4.562	4.160	3.758
13,000,000	4.637	4.226	3.815
14,000,000	4.698	4.280	3.861
15,000,000	4.747	4.323	3.898
20,000,000	4.900	4.462	4.024
25,000,000	5.000	4.553	4.106

For limits not shown, linear interpolation/extrapolation should be used.

Everest Cyber ElevationSM Policy
Everest National Insurance Company
State of District of Columbia

1.3 Retention Factor

Retention Factor = Selected Retention Factor / Retention Factor for Base Retention

Revenue (\$)	Base Retention (\$)
0 – 499,999	2,500
500,000 – 6,500,000	2,500
6,500,001 – 16,500,000	2,500
16,500,001 – 66,500,000	5,000
66,500,001 – 300,000,000	10,000
Greater than 300,000,000	25,000

Retention (\$)	Revenue (\$ (in Millions))		
	0-16.5	>16.5 to 100	>100
0	1.281	1.358	1.562
500	1.142	1.202	1.379
750	1.087	1.141	1.316
1,000	1.055	1.103	1.263
1,500	1.026	1.070	1.224
2,500	1.000	1.040	1.185
5,000	0.968	1.000	1.113
7,500	0.939	0.966	1.054
10,000	0.914	0.937	1.000
15,000	0.874	0.891	0.958
25,000	0.801	0.805	0.901
50,000	0.740	0.722	0.811
75,000	0.687	0.661	0.757
100,000	0.666	0.628	0.720
150,000	0.631	0.586	0.671
175,000	0.619	0.572	0.650
200,000	0.607	0.558	0.637
250,000	0.582	0.529	0.616
300,000	0.557	0.510	0.595
500,000	0.519	0.481	0.557
750,000	0.505	0.472	0.522
1,000,000	0.500	0.472	0.494

For retentions not shown, linear interpolation/extrapolation should be used.

Everest Cyber ElevationSM Policy
Everest National Insurance Company
State of District of Columbia

Section 2: Rating Modifications

The factors in the following charts should be applied multiplicatively to the premium developed in Section 1.

2.1 Nature and Amount of Third Party Personal Information of Others Processed or Stored

Low Risk	0.75 - 1.00
Average Risk	1.01 - 1.10
Moderate risk	1.11 - 1.20
High Risk	1.21 - 1.50

2.2 Location/Jurisdiction Factor

Favorable	0.80 - 1.00
Moderate	1.01 - 1.10
Unfavorable	1.11 - 1.50

2.3 Formal Incident Response Plan

Low Risk	0.80 - 1.00
Moderate Risk	1.01 - 1.10
High Risk	1.11 - 1.25

2.4 Formal Business Continuity & Disaster Recovery Plans

Low Risk	0.75 - 1.00
Average Risk	1.01 - 1.10
Moderate Risk	1.11 - 1.20
High Risk	1.21 - 1.50

2.5 Sharing of Confidential Information

Low Risk	0.80 - 1.00
Moderate Risk	1.01 - 1.10
High Risk	1.11 - 1.25

2.6 Asset Inventory

Excellent	0.80 - 0.90
Acceptable	0.91 - 1.10
Minimal	1.11 - 1.25

2.7 Security Configurations

Low Risk	0.80 - 1.00
Moderate Risk	1.01 - 1.10
High Risk	1.11 - 1.25

2.8 Vulnerability Assessment and Remediation

Excellent	0.60 - 1.00
-----------	-------------

Everest Cyber ElevationSM Policy
Everest National Insurance Company
State of District of Columbia

Acceptable	1.01 - 1.10
Minimal	1.11 - 1.50

2.9 Employee Training

Excellent	0.80 - 1.00
Acceptable	1.01 - 1.10
Minimal	1.11 - 1.25

2.10 Access Control

Excellent	0.75 - 1.00
Acceptable	1.01 - 1.10
Minimal	1.11 - 1.50

2.11 Use of Encryption

Excellent	0.75 - 1.00
Acceptable	1.01 - 1.10
Minimal	1.11 - 1.50

2.12 Reliance on Critical Vendors or Service Providers

Low Risk	0.75 - 1.00
Moderate Risk	1.01 - 1.10
High Risk	1.11 - 1.50

2.13 Online Sales

Low Risk	0.75 - 1.00
Moderate Risk	1.01 - 1.10
High Risk	1.11 - 1.50

2.14 Contract Based Risk Management Controls

Excellent	0.80 - 1.00
Acceptable	1.01 - 1.10
Minimal	1.11 - 1.25

2.15 Merger and Acquisition Activity

Low Risk	0.80 - 1.00
Moderate Risk	1.01 - 1.10
High Risk	1.11 - 1.25

Everest Cyber ElevationSM Policy
Everest National Insurance Company
State of District of Columbia

Section 3: Schedule Rating Modifications

Individual risks may be credited or debited based on the particular characteristics of the risk. The following are areas of evaluation that may be considered, along with the range of credits or debits to be applied, up to the maximum available adjustment referenced in Appendix A. All modifiers are to be documented by the underwriter.

Strength of Corporate Governance	0.80 - 1.25
Loss Experience	0.80 - 1.25
Overall Financial Liquidity	0.80 - 1.25
Affected by Recession	0.80 - 1.25
Quality of Management	0.80 - 1.25

Section 4: Optional Coverage Enhancements

The Optional Coverage Enhancements for the Cyber Coverage Part are only available if Breach Liability is purchased.

4.1: Endorsement Factor

No Restrictive or Expansive Endorsement(s)	1.00 - 1.00
Restrictive Endorsement(s)	0.80 - 0.99
Expansive Endorsement(s)	1.01 - 1.20
Very Restrictive Endorsement(s)	0.65 - 0.79
Very Expansive Endorsement(s)	1.21 - 1.35

For Optional Coverage Enhancements 4.2 – 4.15, the Optional Coverage Enhancement Limit cannot exceed the limit selected to derive the Core Cyber Premium in E1.

If the Optional Coverage Enhancements in 4.2 – 4.15 are purchased, The Optional Coverage Enhancement Premium for each 4.2 – 4.15 will be calculated following the Optional Coverage Enhancement Equation below:

Increased Limit Factor will be derived as described in Section 1.2. Retention Factor will be derived as described in Section 1.3.

Optional Coverage Enhancement Equation:

Optional Coverage Enhancement Premium = Selected percentage below in relation to the Exposure for Optional Coverage Enhancement * Base Premium (Section 1.1) * Increased Limit Factor for Optional Coverage Enhancement * Retention Factor for Optional Coverage Enhancement * Rating Modifications (Section 2) * Schedule Rating Modifications (Section 3) * Endorsement Factor (Section 4.1) * (Waiting Period Factor, if applicable to the Optional Coverage Enhancement)

The Waiting Period factor is only applicable to Business Interruption Loss (Section 4.6) and Contingent Business Interruption Loss (Section 4.7).

Everest Cyber ElevationSM Policy
Everest National Insurance Company
State of District of Columbia

4.2 Regulatory Penalties

Low Exposure	1% - 5%
Moderate Exposure	10% - 15%
High Exposure	20% - 25%
Severe Exposure	30% - 35%

4.3. Breach Response Costs

Low Exposure	1% - 5%
Moderate Exposure	10% - 15%
High Exposure	20% - 25%
Severe Exposure	30% - 35%

4.4. Reputation Repair Endorsement

Low Exposure	1% - 5%
Moderate Exposure	6% - 10%
High Exposure	11% - 15%
Severe Exposure	16% - 20%

4.5 Cyber Extortion Costs

Low Exposure	1% - 5%
Moderate Exposure	10% - 15%
High Exposure	20% - 25%
Severe Exposure	26% - 30%

4.6. Business Interruption Loss

Low Exposure	1% - 10%
Moderate Exposure	25% - 50%
High Exposure	75% - 100%
Severe Exposure	125% - 150%

Waiting Period Factor for Business Interruption Loss

Waiting Period (# of hours)	Factor
1	2.00
2	1.75
4	1.50
6	1.25
8	1.00
10	0.90
12	0.80
24	0.70
48	0.60
72	0.50

For waiting period hours not shown, linear interpolation/extrapolation should be used.

Everest Cyber ElevationSM Policy
Everest National Insurance Company
State of District of Columbia

4.7. Contingent Business Interruption Loss

Low Exposure	1% - 10%
Moderate Exposure	25% - 50%
High Exposure	75% - 100%
Severe Exposure	125% - 150%

Waiting Period Factor for Contingent Business Interruption Loss

Waiting Period (# of hours)	Factor
1	2.00
2	1.75
4	1.50
6	1.25
8	1.00
10	0.90
12	0.80
24	0.70
48	0.60
72	0.50

For waiting period hours not shown, linear interpolation/extrapolation should be used.

4.8. Data Loss Costs

Low Exposure	1% - 10%
Moderate Exposure	20% - 30%
High Exposure	40% - 50%
Severe Exposure	60% - 70%

4.9. Media Liability

Low Exposure	1% - 5%
Moderate Exposure	10% - 15%
High Exposure	20% - 25%
Severe Exposure	30% - 35%

4.10. PCI Assessments

Low Exposure	1% - 5%
Moderate Exposure	10% - 15%
High Exposure	20% - 25%
Severe Exposure	30% - 35%

4.11. PCI Recertification Costs

Low Exposure	1% - 5%
Moderate Exposure	6% - 10%
High Exposure	11% - 15%
Severe Exposure	16% - 20%

Everest Cyber ElevationSM Policy
Everest National Insurance Company
State of District of Columbia

4.12. Social Engineering Endorsement

Low Exposure	1% - 5%
Moderate Exposure	6% - 10%
High Exposure	11% - 15%
Severe Exposure	16% - 20%

4.13. Technology Errors and Omissions Liability

Low Exposure	1% - 25%
Moderate Exposure	26% - 50%
High Exposure	51% - 75%
Severe Exposure	76% - 100%

4.14. System Failure Endorsement

Low Exposure	1% - 10%
Moderate Exposure	11% - 20%
High Exposure	21% - 30%
Severe Exposure	31% - 40%

4.15. Wrongful Collection Endorsement

Low Exposure	1% - 10%
Moderate Exposure	11% - 20%
High Exposure	21% - 30%
Severe Exposure	31% - 40%

Everest Cyber ElevationSM Policy
Everest National Insurance Company
State of District of Columbia

APPENDIX A

Subjective debits/credits not permitted:	HI, NE
+/-15% debit / credit cap:	NY
+40%; -50% debit / credit cap:	GA
25% debit / credit cap:	AL, AZ, CA, CO, CT, DC, FL, IA, ID, KS, LA, MI, MO, NJ, NM, ND, OH, OR, SD, UT, and WA
40% debit / credit cap:	AK, AR, DE, MD, ME, MN, MS, MT, NE, NH, NV, OK, RI, SC, TX, WV, WY
25% debit / 40% credit cap:	MA
50% debit / credit cap:	IL, IN, KY, NC, PA, TN, VT, VA, and WI