

ZURICH NORTH AMERICA
CYBER PROPERTY COVERAGE
Rating Plan

1. Coverage

Cyber coverage includes the following: Cyber Event Service Interruption Off Premise, Cyber Event Service Interruption Time Element, Protection and Preservation of Property, Expediting Expense, Computer Forensic Expense, and Digital Asset Replacement Expense. This coverage is optional.

2. Rating Rules and Parameters: Property Cyber Coverage

2a. Premium Computation

Premium is determined using a traditional base rate approach.

2b. Base Rates

The base rates are determined with the following tables using both the industry tier and the annualized projected revenue of the insured. Industry tier is determined based on the table in the Appendix. Use linear interpolation to calculate base rates that are not explicitly in the table. The premium for this coverage is calculated at a policy level. When the property insurance is being written by several insurance companies on a layered basis, a sharing adjustment factor will be applied to the Cyber premium to reflect the percentage of participation.

Base rates are for \$1m limit, \$10k deductible, if applicable.

Revenue	Tier 1	Tier 2	Tier 3	Tier 4
<5M	547	684	1,197	1,709
5M	762	952	1,666	2,380
10M	1,030	1,288	2,253	3,219
25M	1,580	1,975	3,456	4,937
50M	2,290	2,863	5,010	7,157
75M	3,203	4,004	7,008	10,011
100M	4,456	5,570	9,747	13,924
125M	5,717	7,146	12,505	17,864
150M	6,780	8,475	14,831	21,187
200M	7,817	9,771	17,099	24,427
500M	12,209	15,262	26,708	38,155
1B	16,349	20,436	35,764	51,091

3B	24,933	31,166	54,541	77,916
5B	29,756	37,195	65,092	92,988
10B	36,788	45,985	80,474	114,963
15B	41,026	51,283	89,744	128,206
20B	44,024	55,030	96,303	137,575
30B	48,252	60,314	105,550	150,786
40B	51,210	64,012	112,021	160,031
50B	53,913	67,391	117,934	168,477
100B	61,577	76,971	134,699	192,427
200B	69,207	86,508	151,389	216,270
300B	75,266	94,083	164,645	235,207

3. Limit Factors

Adjusting the premium for the desired limit is accomplished using ILFs and DLFs. The following tables display a large sampling of these factors. Absence of an entry in these tables does not imply that the limit structure is unavailable. Given the seemingly endless number of possible limit structures, these tables do not represent the full spectrum of our ILFs and DLFs for this product. ILFs are dependent on the limit and deductible chosen as well as the tier of the insured.

Limit Factors

<p>ILFs are based on proprietary severity distributions and vary based on the ILF group of the risk.</p> <p>For reference, the entry for 2M limit with deductible of 1M represents the ILF for the layer 2M xs 1M.</p> <p>The ILF/DLF table below is representative of a Tier 1 insured.</p>									
Limit	Deductible, if applicable								
	2,500	5,000	10,000	25,000	50,000	100,000	250,000	500,000	1,000,000
50,000	0.31	0.22	0.19	0.15	0.11	0.08	0.05	0.04	0.02
100,000	0.42	0.33	0.30	0.24	0.20	0.15	0.10	0.07	0.05
250,000	0.63	0.54	0.50	0.44	0.38	0.31	0.22	0.16	0.11
500,000	0.85	0.75	0.72	0.65	0.58	0.50	0.38	0.29	0.21
1,000,000	1.14	1.04	1.00	0.93	0.85	0.76	0.62	0.49	0.37
2,000,000	1.51	1.41	1.37	1.30	1.22	1.12	0.95	0.80	0.64

ILFs are based on **proprietary severity distributions** and vary based on the ILF group of the risk.

For reference, the entry for 2M limit with deductible of 1M represents the ILF for the layer 2M xs 1M.

The ILF/DLF table below is representative of a Tier 2 insured.

Limit	Deductible, if applicable								
	2,500	5,000	10,000	25,000	50,000	100,000	250,000	500,000	1,000,000
50,000	0.26	0.20	0.17	0.14	0.11	0.08	0.05	0.04	0.03
100,000	0.37	0.30	0.27	0.23	0.19	0.15	0.10	0.07	0.05
250,000	0.58	0.51	0.48	0.42	0.37	0.31	0.23	0.17	0.12
500,000	0.80	0.73	0.70	0.64	0.58	0.51	0.39	0.30	0.22
1,000,000	1.11	1.03	1.00	0.94	0.87	0.79	0.65	0.53	0.41
2,000,000	1.52	1.44	1.41	1.34	1.27	1.18	1.02	0.87	0.71

ILFs are based on **proprietary severity distributions** and vary based on the ILF group of the risk.

For reference, the entry for 2M limit with deductible of 1M represents the ILF for the layer 2M xs 1M.

The ILF/DLF table below is representative of a Tier 3 insured.

Limit	Deductible, if applicable								
	2,500	5,000	10,000	25,000	50,000	100,000	250,000	500,000	1,000,000
50,000	0.19	0.15	0.14	0.12	0.10	0.08	0.05	0.04	0.03
100,000	0.28	0.25	0.23	0.20	0.17	0.14	0.10	0.08	0.06
250,000	0.49	0.45	0.43	0.39	0.35	0.31	0.24	0.18	0.14
500,000	0.72	0.68	0.66	0.62	0.58	0.52	0.42	0.34	0.26
1,000,000	1.06	1.02	1.00	0.96	0.90	0.84	0.71	0.60	0.49
2,000,000	1.55	1.51	1.48	1.44	1.38	1.30	1.16	1.02	0.86

ILFs are based on **proprietary severity distributions** and vary based on the ILF group of the risk.

For reference, the entry for 2M limit with deductible of 1M represents the ILF for the layer 2M xs 1M.

The ILF/DLF table below is representative of a Tier 4 insured.

Limit	Deductible, if applicable								
	2,500	5,000	10,000	25,000	50,000	100,000	250,000	500,000	1,000,000
50,000	0.16	0.14	0.13	0.11	0.09	0.07	0.05	0.04	0.03
100,000	0.25	0.23	0.21	0.19	0.17	0.14	0.10	0.08	0.06
250,000	0.45	0.42	0.41	0.38	0.34	0.30	0.24	0.19	0.15
500,000	0.69	0.66	0.65	0.61	0.57	0.52	0.43	0.36	0.28
1,000,000	1.05	1.02	1.00	0.96	0.92	0.86	0.74	0.64	0.52
2,000,000	1.57	1.54	1.52	1.48	1.43	1.37	1.23	1.10	0.94

4. Sublimit Adjustment Factor

Cyber Event Service Interruption Off Premise has a special sublimit that is offered for the coverage. Adjusting the premium for the desired sublimit is accomplished by first calculating the ratio of the sublimit to the Cyber limit and looking up the appropriate factor in the table below. Use linear interpolation to obtain the factor for ratios not explicitly shown in the table.

Ratio of Sublimit to Cyber Limit	Adjustment Factor
0	.95
.2	.96
.4	.97
.6	.98
.8	.99
1	1

5. Qualifying Period Factor

For time element coverages there may be a waiting period before the insured can receive reimbursement for losses. This feature functions as a deductible on a time basis instead of a dollar basis. Rates assume a 48 hour qualifying period.

Qualifying Period (hours)	Factor
24	1.03
48	1.00
72	.97
96 and above	.94

6. Protection Period Factor

The protection period determines how long coverage will be provided for Protection and Preservation of Property. This feature functions as a limit on a time basis instead of a dollar basis. Rates assume a 48 hour protection period.

Protection Period (hours)	Factor
24 or less	.97
48	1.00
72	1.03
96	1.06

7. Example Premium Calculation

Inputs:

Industry Tier of Insured: 2

Revenue: \$50M

Limit: \$1M

Deductible: \$25K

Off Premise Service Interruption Sublimit: \$100K

Off Premise Service Interruption Qualifying Period: 48 hours

Service Interruption Time Element Qualifying Period: 72 hours

Protection Period: 24 hours

Premium Components:

Base Rate: \$2,863

ILF Factor: .94

Off Premise Service Interruption Sublimit Factor: .955

Off Premise Service Interruption Qualifying Period Factor: 1.00

Service Interruption Time Element Qualifying Period Factor: .97

Protection Period Factor: .97

Premium Calculation:

Cyber Premium = \$2,863*.94*.955*1.00*.97*.97 = \$2,418

Appendix

Assignments of base rate tiers are below. If the 2 digit SIC Code of the insured cannot be found in the table it will be assigned a tier of 2.

2 Digit SIC Code + Description	Industry Tier
01 Agricultural Production - Crops	1
02 Agricultural Production - Livestock and Animal Specialties	1
07 Agricultural Services	1
08 Forestry	1
09 Fishing, Hunting and Trapping	1
10 Metal Mining	4
12 Coal Mining	4
13 Oil and Gas Extraction	4
14 Mining and Quarrying of Nonmetallic Minerals, Except Fuels	4
15 Building Cnstrctn - General Contractors & Operative Builders	2
16 Heavy Cnstrctn, Except Building Construction - Contractors	2
17 Construction - Special Trade Contractors	2
20 Food and Kindred Products	1

21 Tobacco Products	1
22 Textile Mill Products	2
23 Apparel, Finished Prdcts from Fabrics & Similar Materials	2
24 Lumber and Wood Products, Except Furniture	2
25 Furniture and Fixtures	2
26 Paper and Allied Products	2
27 Printing, Publishing and Allied Industries	2
28 Chemicals and Allied Products	2
29 Petroleum Refining and Related Industries	4
30 Rubber and Miscellaneous Plastic Products	2
31 Leather and Leather Products	2
32 Stone, Clay, Glass, and Concrete Products	2
33 Primary Metal Industries	2
34 Fabricated Metal Prdcts, Except Machinery & Transport Eqpmnt	3
35 Industrial and Commercial Machinery and Computer Equipment	4
36 Electronic, Elctrel Eqpmnt & Cmpnts, Excpt Computer Eqpmnt	3
37 Transportation Equipment	2
38 Mesr/Anlyz/Cntrl Instrmnts; Photo/Med/Opt Gds; Watchs/Clocks	2
39 Miscellaneous Manufacturing Industries	2
40 Railroad Transportation	2
41 Local, Suburban Transit & Interurbn Hgwy Passenger Transport	2
42 Motor Freight Transportation	2
43 United States Postal Service	2
44 Water Transportation	2
45 Transportation by Air	2
46 Pipelines, Except Natural Gas	3
47 Transportation Services	2
48 Communications	3
49 Electric, Gas and Sanitary Services	3
50 Wholesale Trade - Durable Goods	1
51 Wholesale Trade - Nondurable Goods	1
52 Building Matrials, Hrdwr, Garden Supply & Mobile Home Deals	2
53 General Merchandise Stores	3
54 Food Stores	3
55 Automotive Dealers and Gasoline Service Stations	3
56 Apparel and Accessory Stores	3
57 Home Furniture, Furnishings and Equipment Stores	2
58 Eating and Drinking Places	3
59 Miscellaneous Retail	3
60 Depository Institutions	3
61 Nondepository Credit Institutions	3
62 Security & Commodity Brokers, Dealers, Exchanges & Services	3

63 Insurance Carriers	3
64 Insurance Agents, Brokers and Service	3
65 Real Estate	2
67 Holding and Other Investment Offices	3
70 Hotels, Rooming Houses, Camps, and Other Lodging Places	2
72 Personal Services	2
73 Business Services	2
75 Automotive Repair, Services and Parking	2
76 Miscellaneous Repair Services	2
78 Motion Pictures	2
79 Amusement and Recreation Services	2
80 Health Services	2
81 Legal Services	2
82 Educational Services	2
83 Social Services	2
84 Museums, Art Galleries and Botanical and Zoological Gardens	1
86 Membership Organizations	1
87 Engineering, Accounting, Research, Management & Related Svcs	2
88 Private Households	2
89 Services, Not Elsewhere Classified	2
91 Executive, Legislative & General Government, Except Finance	3
92 Justice, Public Order and Safety	2
93 Public Finance, Taxation and Monetary Policy	3
94 Administration of Human Resource Programs	3
95 Administration of Environmental Quality and Housing Programs	2
96 Administration of Economic Programs	2
97 National Security and International Affairs	2
99 Nonclassifiable Establishments	2