

RULES

1. Introduction

The rules in this manual apply to standalone cyber insurance policies written on the Commercial Cyber Coverage Form.

2. Product Eligibility

This product may be written for companies, non-profits, or governmental entities in an eligible class of business with annual revenues up to \$250,000,000. Ineligible classes of business are listed below.

Ineligible classes of business
Adult entertainment, Cannabis Activities, Cryptocurrency Activities

3. Rating

Ranges are expressed in interval notation. All factors are multiplicative unless otherwise noted. Use standard linear interpolation to determine the values of Factors not shown herein. In the event sufficient information is not available to assess the underwriting risk imposed by an applicable rating factor, apply a neutral factor (1.00) for such rating factor.

4. Policy Period

All rates in this manual are annual, unless otherwise noted. Pro-rate the policy period from 6 to 18 months to adjust the policy period.

5. General Rules

Rounding

Round premiums up to the nearest \$1.

Waiver of Premium

Waive additional premium transactions at or below \$5.00. Return premiums at or below \$5.00 may also be waived, provided that any return premium due an insured is granted at the insured's request.

Extended Reporting Periods

- Automatic Extended Reporting Period: An automatic extended reporting period is provided by default for no additional premium.
- Optional Extended Reporting Period: An optional extended reporting period is available for 12, 24 or 36 months as a percentage of the final Policy premium.

Optional Extended Reporting Period	Factor
12 Month Extended Reporting Period	75%
24 Month Extended Reporting Period	125%
36 Month Extended Reporting Period	175%

Retroactive Date Selection

By default, a retroactive date of "Full Prior Acts" will be offered to all Applicants. In the event an Applicant wishes to match their Retroactive Date to an expiring policy, this will be allowed provided a copy of the expiring policy or its Declarations page is submitted to us. Retroactive Date Selection will have no impact on premium.

RATES

1. Premium Formula

Apply the formula below to determine the Final Premium.

$$\text{ANNUAL PREMIUM} = \text{BASE PREMIUM} * \text{LIMIT FACTOR} * \text{DEDUCTIBLE FACTOR} * \prod \text{PREMIUM MODIFICATION FACTORS} \\ * \text{PROGRAM FACTOR} * \text{OPTIONAL COVERAGE FACTOR}$$

2. Base Premium

The base determined using the applicant's ratable employees and Industry Hazard Tier. Refer to Table 1 for Industry Hazard Tier values. Ratable employees are equal to the Applicant's total number of employees, unless otherwise stated for a specific industry in the underwriting guidelines.

	Industry Hazard Tier				
Ratable Employees	1	2	3	4	5
(0, 5]	511	566	600	643	892
(5, 10]	607	714	779	862	1,152
(10, 20]	709	871	990	1,096	1,430
(20, 35]	841	1,074	1,261	1,398	1,788
(35, 50]	971	1,273	1,503	1,693	2,139
(50, 75]	1,117	1,476	1,777	2,028	2,457
(75, 100]	1,276	1,696	2,044	2,390	2,801
(100, 150]	1,483	1,983	2,315	2,863	3,250
(150, 200]	1,737	2,368	2,688	3,208	3,990
(200, 250]	1,956	2,698	3,043	3,538	4,688
(250, 300]	2,170	3,019	3,350	3,860	5,366
(300, 400]	2,458	3,454	3,761	4,626	6,294
(400, 500]	2,810	3,989	4,263	5,573	7,437
(500, 600]	3,121	4,457	4,818	6,478	8,435
(600, 700]	3,430	4,924	5,352	7,353	9,486
(700, 800]	3,742	5,346	5,854	8,274	10,379
(800, 900]	4,059	5,762	6,385	9,246	11,211
(900, 1000]	4,383	6,200	6,946	10,272	11,978
Each additional over 1,000	+ 0.91	+ 1.97	+ 2.47	+ 3.58	+ 5.27

3. Limit Factor

Base premiums assume a \$1,000,000 limit of liability.

Limit	Factor
\$100,000	0.33
\$250,000	0.48
\$500,000	0.60
\$1,000,000	1.00

Limit	Factor
\$1,000,000	1.00
\$2,000,000	1.23
\$3,000,000	1.41
\$4,000,000	1.59
\$5,000,000	1.78
\$6,000,000	1.99
\$7,000,000	2.21
\$8,000,000	2.46
\$9,000,000	2.73
\$10,000,000	3.01

4. Deductible Factor

Base premiums assume a \$10,000 deductible.

Deductible	Factor
\$1,000	1.11
\$2,500	1.07
\$5,000	1.04
\$10,000	1.00
\$25,000	0.88
\$50,000	0.78
\$100,000	0.66

5. Premium Modification Factors

\prod PREMIUM MODIFICATION FACTORS

= Individual Risk Premium Modification Factors * Schedule Rating Plan Premium Modification Factors
* Experience Modification Factor

Individual Risk Premium Modification Factors

Apply the factors below based on the characteristics of the applicant for coverage. The Individual Risk Premium Modification Plan may not provide for modification of rates in excess of plus (+) or minus (-) 15 percent.

Risk Attribute	Criteria	Characteristics	Factor
Complexity of Operating Structure	Number of operating entities	Low: single operating entity	0.9
		Moderate: moderately complex operating entity structure	1.0
		High: complex operating entity structure	1.1
Online Commercial Activity	Annual revenues from E-Commerce/Online Sales	Low: no revenues from E-Commerce/Online Sales	0.9
		Moderate: less than/equal to one half of revenues are from E-Commerce/Online Sales	1.0
		High: more than one half of revenues are from E-Commerce/Online Sales	1.1
Kind and Quantity of Data Held	Types of sensitive data held and volume of sensitive data held	Low: No customer credit card/debit card, financial/banking or medical information stored;	0.9
		Moderate: No customer financial/banking or medical information stored; AND fewer than 1,000,001 credit card/debit card records stored	1.0
		High: Any customer financial/banking or medical information stored; Or greater than 1,000,000 credit card/debit card records stored	1.1

Cybersecurity Posture	Cybersecurity Maturity Score from 1 to 100	Low: cybersecurity maturity scores ranging (70,100]	0.9
		Moderate: cybersecurity maturity scores ranging (45,70]	1.0
		High: cybersecurity maturity scores ranging (1,45]	1.1

Schedule Rating Plan Premium Modification Factors

Apply the factors below based on the characteristics of the applicant for coverage. The Schedule Rating Plan may not provide for modification of rates in excess of plus (+) or minus (-) 15 percent.

Risk Attribute	Criteria	Characteristics	Factor
Information Security Governance	Number of Information Security Staff	Low: Multiple individuals whose primary job function pertains to information security	0.9
		Moderate: One individual whose primary job function pertains to information security	1.0
		High: No primary job functions pertaining to information security	1.1
Computer System Controls	Unique password and password complexity, firewall and anti-virus program	Low: All users are issued unique passwords with complexity requirements; AND insured maintains protective network controls including a firewall and anti-virus program.	0.9
		Moderate: Users lack unique password; OR insured does not maintain protective network controls including a firewall and anti-virus program.	1.0
		High: All users are issued unique passwords (no complexity requirements); AND insured maintains protective network controls including a firewall and anti-virus program.	1.1
Backup and Patching	Process for and frequency of patching critical systems	Low: A formal process is in place for applying critical patches to and creating mission critical system backups at least weekly	0.9
		Moderate: A formal process is in place for applying critical patches to and creating mission critical system backups at least monthly	1.0
		High: No formal process is in place for applying critical patches to and creating mission critical system backups	1.1
Business Continuity and Disaster Recovery	Process for systems backup, frequency of backups, and recovery plan testing	Low: Applicant maintains a business continuity and disaster recovery plan, maintains redundant system resources and conducts thorough due diligence on vendors	0.9
		Moderate: Applicant maintains a business continuity and disaster recovery plan; AND maintains redundant system resources OR conducts thorough due diligence on vendors	1.0
		High: Applicant does not maintain a business continuity and disaster recovery plan	1.1
Fraud Controls	Out-of-band authentication procedures, anti-fraud training, and restricted access to funds transfer privileges.	Low: Authority for funds transfers is restricted to specified individuals with anti-fraud training; AND Out-of-band authentication is required for funds transfers	0.9
		Moderate: Authority for funds transfers is restricted to specified individuals AND out-of-band authentication is required for funds transfers.	1.0
		High: Authority for funds transfers is not restricted to specified individuals; OR anti-fraud training is not conducted; OR out-of-band authentication is not required for funds transfers.	1.1

Experience Modification Factor

The Experience Factor reflects the degree of underwriting concern or confidence based on an Applicant's past cyber claim and incident history.

Risk Attribute	Criteria	Characteristics	Factor
Past Experience	Number of Past Cybersecurity Incidents and Losses, Experience Score	Comfortable: 1 or fewer past cybersecurity incidents or losses; AND experience scores no greater than 6	1.000
		Low Concern: 3 or fewer past cybersecurity incidents or losses; AND experience scores no greater than 20	1.100
		High Concern: 3 or fewer past cybersecurity incidents or losses; AND experience scores ranging (20,35]	1.225
		Very High Concern: 3 or fewer past cybersecurity incidents or losses; AND experience scores ranging (35,53]	1.350
		Refer to Home Office: More than 3 past cybersecurity incidents or losses; OR experience scores above 53	1.535

6. Program Factor

The Program Factor is based on specific underwriting and expense characteristics of homogenous risks participating in a program. Within any program, the factor is applied uniformly to all participating risks. For non-program business, the factor is assumed to be 1.00 for rate calculation purposes.

Program Type	Factor
No Program	1.00
Program Business	0.75 – 0.95

7. Optional Coverage Factor

1 plus the sum of the selected optional coverage debits and (credits) is the Optional Coverage Factor.

Optional Coverage	Debit / (Credit)	Attach Form
Bricked Device	0.02	CY AM 5003
Business Reputation Loss	0.04	CY AM 5004
Contingent Bodily Injury	0.06	CY AM 5008
Contingent Business Interruption	0.08	CY AM 5009
Contingent Property Damage	0.04	CY AM 5010
Delete Crime Controls Requirement	0.10	CY AM 5012
Delete Crime Controls Requirement –10% sublimit	0.03	CY AM 5012
Delete Hammer Clause	0.05	CY AM 5013
Laptop and Devices Replacement	0.03	CY AM 5016
Other Insurance (Full Primary)	0.05	CY AM 5017
Remove Multimedia Liability Coverage	(0.08)	N/A
Remove Cyber Theft and Social Engineering Loss Coverage	(0.17)	N/A

Table 1

Determine the Industry Hazard Tier for a given industry using the table below.

Industry	Hazard Tier
Accounting	3
Activities of Membership Organizations	3
Administrative & Support Services	1
Aerospace & Defense	3
All Other Industry (Primarily B2B) - LOW RISK	1
All Other Industry (Primarily B2B) - HIGH RISK	3
All Other Industry (Primarily B2C) - LOW RISK	2
All Other Industry (Primarily B2C) - MEDIUM RISK	3
All Other Industry (Primarily B2C) - HIGH RISK	4
All Other Industry (Primarily B2C) - VERY HIGH RISK	5
Auto Dealers & Service (Cars, Boats, Tractors, ATV, RV)	2
Banking & Lending	4
Construction & Contractors	2
Consumer Products	3
Consumer Services	2
Education (Other Than Higher Education)	2
Entertainment & Recreation	1
Financial Services (Other)	5
Food & Beverage	1
Gaming	5
Healthcare	4
Higher Education	3
Hospitality	5
Industrial & Manufacturing	2
Insurance	4
Investment Services & Advice	4
Law Firms & Legal Services	5
Media & Publishing	3
Oil & Gas	3
Online Services & E-Commerce	5
Payment Processing & Transactions	5
Pharmaceuticals	4
Professional Services (Other)	3
Public Non-Profit	3
Real Estate – Leasing, Property Management & Other	2
Real Estate – Sales, Brokerage & Service	3
Religious, Charity, Influencers & Private Non-Profit	2
Restaurants	2
Retail (No Restaurants)	5
Technology & Biotechnology	3
Telecommunications	2
Transportation, Warehousing, Shipping & Logistics	3
Travel & Travel Agency	3
Utilities & Critical Infrastructure	4
Wholesale Trade & Distribution	2