

***Risk e-Business***

**Cyber Loss and Liability Insurance Policy**

**TX Product & Rating Manual**

***Table of Contents***

I. Introduction	.....Page 2
II. Company Usage	.....Page 2
III. Rating	.....Page 2
IV. Limits	.....Page 24
V. Minimum Premiums	.....Page 24
VI. Terrorism	.....Page 24
VII. Optional Forms	.....Page 25
Appendix I IRPM	.....Page 26
Appendix II Forms Inventory	.....Page 29
Appendix III Optional Forms Rating	.....Page 32

***Great American Insurance Group***

## I. Introduction

The manual contains the rules and rates for Great American Insurance Group's new Cyber Risk Insurance offering, Risk e-Business Cyber Loss and Liability Insurance.

Great American intends to offer Risk e-Business Cyber Loss and Liability Insurance to small and medium sized enterprises which we define as non-profit organizations, private businesses, and publicly traded companies with less than \$250,000,000 in revenues. Pricing is driven by the potential for volatile results, the long tail nature of the liability claims, and the sometimes disproportionately large/severe losses possible on policies written for relatively small companies (as defined by revenues). This product will be offered to both new and mature companies across a broad range of classes. Not all applicants will qualify for quotes based on the underwriter's evaluation of acceptable exposures and characteristics presented by individual applicants.

Risk e-Business features two principal insuring agreements, A – Loss Expense and B – Liability Expense. Loss Expense is intended to provide 1<sup>st</sup> party coverage for incidents discovered during the policy period. Liability Expense is intended to provide 3<sup>rd</sup> party coverage on a claims made basis with a duty to defend and defense expense within the limits of insurance.

## II. Company Usage

Risk e-Business will be written by Great American Spirit Insurance Company.

## III. Rating

Insuring agreements A – Loss Expense and B – Liability Expense are each rated individually. These rates are reflective of the individual rates charged for each of the various causes of loss addressed by the respective insuring agreements. The total premium charged is the sum of the rating elements above. The unique characteristics of any given risk may serve to heighten or lessen its overall desirability. Many of these characteristics are applied across all of the causes of loss but several of them unique to a given coverage or circumstance.

At the election of the underwriters, the premium calculated may then be multiplied by a judgement modification factor (see IRPMs below and Appendix I) based on the unique characteristics of the risk presented. If applied, the underwriter will evaluate all relevant aspects of the exposure and document his/her file with respect to the reasoning used in accordance with guidelines on file with the company.

A list of forms has also been provided in this manual (see Appendix II). The rate bearing forms have been identified and the rate calculations are also included (see Appendix III).

Great American uses a Classification Rating Factor throughout the various Steps in the rating plan. We define the criteria as follows:

Category	Description
Highly Desirable	Industry classes where PII is generally limited and/or only handled by a few trained employees
Desirable	Industry classes driven by Payment Card related exposures or where PII is modest and employees education level is average
Somewhat Desirable	Critical infrastructure related industry classes
Acceptable	Industry classes generally characterized by a high degree of automation and/or sophisticated professional employees
Somewhat Undesirable	Industry classes highly dependent on web traffic
Undesirable	Finance and Insurance related classes

**TOTAL Premium = Loss Expense Premium (step 1) + Liability Expense Premium (step 2)**

*Note: All premiums are assumed to be annual. When the term varies from this assumption the following factors is applied in steps 1 and 2:*

Term Factor
Number of Days in Policy Period / 365

**Step 1:** Loss Expense Premium is \$400 or the sum of the following, whichever is larger

*Premiums A – G below are calculated as follows and each rounded to three decimals where indicated (ROUND) and then rounded again to the nearest whole dollar at the end.*

A - Data & Systems Restoration Cost Premium

B - Extortion Costs Premium

C - Business Interruption Loss Premium

D - Crisis Management Premium

E - Privacy & Network Security Incident Premium

F - Contingent Business Interruption Term Premium

G - Cyber Crime Premium

**A.** Data & Systems Restoration Cost Premium = is \$50 or the product of the following, whichever is larger

Loss Cost X Loss Cost Multiplier X Multiple Insuring Agreement Factor X Classification Rating Factor X Revenue Factor  
 X Deductible Factor X Hazard Group Factor X Outsourcing of Website Hosting and Network Systems Development  
 Factor X Network Access Granted to Third Parties Factor X Time Sensitive Transactions Factor X Use of Wireless  
 Applications Factor X Use of Encryption Factor X Use of Employees Personal Devices Factor (ROUND) X IRPM

i. Loss Cost are calculated as follows:

Limit (range)	Cost Per \$1,000
\$1	\$0.67
\$500,001	\$0.14
\$1,000,001	\$0.07
\$2,000,001	\$0.06
\$5,000,001	\$0.05
\$10,000,001	Decline to Quote

ii. Loss Cost Multiplier: .8

iii. Multiple Insuring Agreement Factor = .58

iv. Classification Rating Factor is determined as follows

Classification	Factor
Highly Desirable	.90
Desirable	1.0
Somewhat Desirable	1.05
Acceptable	1.1
Somewhat Undesirable	1.15
Undesirable	1.2

v. Revenue Factor

Annual Revenue (range)	Factor
1	0.811
1,000,001	0.849
2,500,001	0.930
5,000,001	0.986
7,500,001	1.024
10,000,001	1.055
15,000,001	1.095
20,000,001	1.141
30,000,001	1.230
50,000,001	1.352
75,000,001	1.420
> 100,000,000	1.4

vi. Deductible Factor is determined as follows

<b>Deductible</b>	<b>Factor</b>
\$1,000	1.12
\$2,500	1.05
5,000	1.0
10,000	.92
25,000	.76
50,000	.65
100,000	.50
250,000	.43

vii. Hazard Group Factor is determined as follows:

<b>Hazard Group</b>	<b>Factor</b>
No Claims	.85
No Paid Loss >\$10,000	1.0
Paid Loss >\$10,000	1.15

viii. Outsourcing of Website Hosting and Network Systems Development Factor =

<b>Usage</b>	<b>Factor</b>
Yes	.85
Unknown	1.0
No	1.15

ix. Network Access Granted to Authorized Third Parties Factor =

<b>Usage</b>	<b>Factor</b>
Vendor Management Program In Place	.85
Unknown	1.0
No Vendor Management Program	1.15

x. Time Sensitive Transactions Factor =

<b>Usage</b>	<b>Factor</b>
e-Commerce Sales <25%	.85
Unknown	1.0
e-Commerce Sales >25%	1.15

xi. Use of Wireless Applications Factor =

<b>Usage</b>	<b>Factor</b>
WPA2	.85
Unknown	1.0
WPA	1.15

xii. Use of Encryption Factor =

<b>Usage</b>	<b>Factor</b>
In Mobile Devices	.85
Unknown	1.0
In Network Only	1.15

xiii. Use of Employees Personal Devices Factor =

<b>Usage</b>	<b>Factor</b>
Less than 25% of Staff	.85
Unknown	1.0
25% or more of Staff	1.15

xiv. IRPM Factor (see Appendix I)

**B.** Extortion Costs Premium = is \$100 or the product of the following, whichever is larger

Loss Cost X Loss Cost Multiplier X Multiple Insuring Agreement Factor X Classification Rating Factor X Revenue Factor  
X Deductible Factor X Hazard Group Factor X Outsourcing of Website Hosting and Network Systems Development  
Factor X Network Access Granted to Third Parties Factor X Time Sensitive Transactions Factor X Use of Wireless  
Applications Factor X Use of Encryption Factor X Use of Employees Personal Devices Factor (ROUND) X IRPM

i. Loss Cost are calculated as follows:

Limit (range)	Cost Per \$1,000
\$1	\$ 0.81
\$500,001	\$ 0.17
\$1,000,001	\$ 0.09
\$2,000,001	\$ 0.07
\$5,000,001	\$ 0.06
\$10,000,001	Decline to Quote

ii. Loss Cost Multiplier: .8

iii. Multiple Insuring Agreement Factor = .58

iv. Classification Rating Factor is determined as follows

Classification	Factor
Highly Desirable	.90
Desirable	1.0
Somewhat Desirable	1.05
Acceptable	1.1
Somewhat Undesirable	1.15
Undesirable	1.2

v. Revenue Factor

Annual Revenue (range)	Factor
1	0.811
1,000,001	0.849
2,500,001	0.930
5,000,001	0.986
7,500,001	1.024
10,000,001	1.055
15,000,001	1.095
20,000,001	1.141
30,000,001	1.230
50,000,001	1.352
75,000,001	1.420
> 100,000,000	1.4

- vi. Deductible Factor is determined as follows

<b>Deductible</b>	<b>Factor</b>
\$1,000	1.12
\$2,500	1.05
5,000	1.0
10,000	.92
25,000	.76
50,000	.65
100,000	.50
250,000	.43

- vii. Hazard Group Factor is determined as follows:

<b>Hazard Group</b>	<b>Factor</b>
No Claims	.85
No Paid Loss >\$10,000	1.0
Paid Loss >\$10,000	1.15

- viii. Outsourcing of Website Hosting and Network Systems Development Factor =

<b>Usage</b>	<b>Factor</b>
Yes	.85
Unknown	1.0
No	1.15

- ix. Network Access Granted to Authorized Third Parties Factor =

<b>Usage</b>	<b>Factor</b>
Vendor Management Program In Place	.85
Unknown	1.0
No Vendor Management Program	1.15

- x. Time Sensitive Transactions Factor =

<b>Usage</b>	<b>Factor</b>
e-Commerce Sales <25%	.85
Unknown	1.0
e-Commerce Sales >25%	1.15

- xi. Use of Wireless Applications Factor =

<b>Usage</b>	<b>Factor</b>
WPA2	.85
Unknown	1.0
WPA	1.15

- xii. Use of Encryption Factor =

<b>Usage</b>	<b>Factor</b>
In Mobile Devices	.85
Unknown	1.0
In Network Only	1.15

xiii. Use of Employees Personal Devices Factor =

Usage	Factor
Less than 25% of Staff	.85
Unknown	1.0
25% or more of Staff	1.15

xiv. IRPM Factor (see Appendix I)

**C.** Business Interruption Loss Premium = is \$100 or the product of the following, whichever is larger

Loss Cost X Loss Cost Multiplier X Multiple Insuring Agreement Factor X Classification Rating Factor X Revenue Factor X Deductible Factor X Waiting Period Factor X Hazard Group Factor X Outsourcing of Website Hosting and Network Systems Development Factor X Network Access Granted to Third Parties Factor X Time Sensitive Transactions Factor X Use of Wireless Applications Factor X Use of Encryption Factor X Use of Employees Personal Devices Factor X Firewall Protection Factor X Antivirus and Malware Software Factor X Systems Configuration Factor (ROUND)+ Loss of Income Due to Negative Publicity Coverage Premium (if applicable, see Appendix III) X IRPM

i. Loss Cost are calculated as follows:

Limit (range)	Cost Per \$1,000
\$1	\$3.70
\$500,001	\$0.78
\$1,000,001	\$0.40
\$2,000,001	\$0.33
\$5,000,001	\$0.28
\$10,000,001	Decline to Quote

ii. Loss Cost Multiplier: .8

iii. Multiple Insuring Agreement Factor = .58

iv. Classification Rating Factor is determined as follows

Classification	Factor
Highly Desirable	.90
Desirable	1.0
Somewhat Desirable	1.05
Acceptable	1.1
Somewhat Undesirable	1.15
Undesirable	1.2

v. Revenue Factor

Annual Revenue (range)	Factor
1	0.811
1,000,001	0.849
2,500,001	0.930
5,000,001	0.986
7,500,001	1.024
10,000,001	1.055
15,000,001	1.095
20,000,001	1.141
30,000,001	1.230
50,000,001	1.352
75,000,001	1.420
> 100,000,000	1.4



vi. Deductible Factor

Per Incident	Factor
\$1,000	1.12
\$2,500	1.05
\$5,000	1.0
\$10,000	.92
\$25,000	.76
\$50,000	.65
\$100,000	.50
\$250,000	.43

vii. Waiting Period Table

Waiting Period	Factor
4 Hours	1.1
8 Hours	1.05
10 Hours	1.0
12 Hours	.95
24 Hours	.90

viii. Hazard Group Factor is determined as follows:

Hazard Group	Factor
No Claims	.85
No Paid Loss >\$10,000	1.0
Paid Loss >\$10,000	1.15

ix. Outsourcing of Website Hosting and Network Systems Development Factor =

Usage	Factor
Yes	.85
Unknown	1.0
No	1.15

x. Network Access Granted to Authorized Third Parties Factor =

Usage	Factor
Vendor Management Program In Place	.85
Unknown	1.0
No Vendor Management Program	1.15

xi. Time Sensitive Transactions Factor =

Usage	Factor
e-Commerce Sales <25%	.85
Unknown	1.0
e-Commerce Sales >25%	1.15

xii. Use of Wireless Applications Factor =

Usage	Factor
WPA2	.85
Unknown	1.0
WPA	1.15

xiii. Use of Encryption Factor =

Usage	Factor
In Mobile Devices	.85
Unknown	1.0
In Network Only	1.15

xiv. Use of Employees Personal Devices Factor =

Usage	Factor
Less than 25% of Staff	.85
Unknown	1.0
25% or more of Staff	1.15

xv. Firewall Protection Factor =

Usage	Factor
Up to Date	.85
Unknown	1.0
Out of Date	1.15

xvi. Anti-virus and Malware Software Factor =

Usage	Factor
Up to Date	0.85
Unknown	1.0
Out of Date	1.15

xvii. Systems Configuration Factor =

Usage	Factor
PCI and/or HIPAA Compliant	0.85
Unknown	1.0
Not PCI and/or HIPAA Compliant	1.15

xviii. IRPM Factor (see Appendix I)

**D.** Crisis Management Premium = \$50 or the product of the following, whichever is larger:

Loss Cost X Loss Cost Multiplier X Multiple Insuring Agreement Factor X Classification Rating Factor X Revenue Factor X Deductible Factor X Hazard Group Factor X Outsourcing of Website Hosting and Network Systems Development Factor X Network Access Granted to Third Parties Factor X Time Sensitive Transactions Factor X Use of Wireless Applications Factor X Use of Encryption Factor X Use of Employees Personal Devices Factor (ROUND) X IRPM Factor

i. Loss Cost are calculated as follows:

Limit (range)	Cost Per \$1,000
\$1	\$0.33
\$500,001	\$0.07
\$1,000,001	\$0.04
\$2,000,001	\$0.03
\$5,000,001	\$0.03
\$10,000,001	Decline to Quote

ii. Loss Cost Multiplier: .8

iii. Multiple Insuring Agreement Factor = .58

iv. Classification Rating Factor is determined as follows

Classification	Factor
Highly Desirable	.90
Desirable	1.0
Somewhat Desirable	1.05
Acceptable	1.1
Somewhat Undesirable	1.15
Undesirable	1.2

v. Revenue Factor

Annual Revenue (range)	Factor
1	0.811
1,000,001	0.849
2,500,001	0.930
5,000,001	0.986
7,500,001	1.024
10,000,001	1.055
15,000,001	1.095
20,000,001	1.141
30,000,001	1.230
50,000,001	1.352
75,000,001	1.420
> 100,000,000	1.4

vi. Deductible Factor is determined as follows

Deductible	Factor
\$1,000	1.12
\$2,500	1.05
5,000	1.0
10,000	.92
25,000	.76
50,000	.65
100,000	.50
250,000	.43

vii. Hazard Group Factor is determined as follows:

Hazard Group	Factor
No Claims	.85
No Paid Loss >\$10,000	1.0
Paid Loss >\$10,000	1.15

viii. Outsourcing of Website Hosting and Network Systems Development Factor =

Usage	Factor
Yes	.85
Unknown	1.0
No	1.15

ix. Network Access Granted to Authorized Third Parties Factor =

Usage	Factor
Vendor Management Program In Place	.85
Unknown	1.0
No Vendor Management Program	1.15

x. Time Sensitive Transactions Factor =

Usage	Factor
e-Commerce Sales <25%	.85
Unknown	1.0
e-Commerce Sales >25%	1.15

xi. Use of Wireless Applications Factor =

Usage	Factor
WPA2	.85
Unknown	1.0
WPA	1.15

xii. Use of Encryption Factor =

Usage	Factor
In Mobile Devices	.85
Unknown	1.0
In Network Only	1.15

xiii. Use of Employees Personal Devices Factor =

Usage	Factor
Less than 25% of Staff	.85
Unknown	1.0
25% or more of Staff	1.15

xiv. IRPM Factor (see Appendix I)

**E. Privacy & Network Security Incident Premium = \$100 or the product of the following, whichever is larger:**

Loss Cost X Loss Cost Multiplier X Multiple Insuring Agreement Factor X Classification Rating Factor X Revenue Factor X Deductible Factor X Hazard Group Factor X Outsourcing of Website Hosting and Network Systems Development Factor X Network Access Granted to Third Parties Factor X Time Sensitive Transactions Factor X Use of Wireless Applications Factor X Use of Encryption Factor X Use of Employees Personal Devices Factor (ROUND) X IRPM Factor

i. Loss Cost are calculated as follows:

Limit (range)	Cost Per \$1,000
\$1	\$1.63
\$500,001	\$0.34
\$1,000,001	\$0.18
\$2,000,001	\$0.14
\$5,000,001	\$0.12
\$10,000,001	Decline to Quote

ii. Loss Cost Multiplier: .8

iii. Multiple Insuring Agreement Factor = .58

iv. Classification Rating Factor is determined as follows

Classification	Factor
Highly Desirable	.90
Desirable	1.0
Somewhat Desirable	1.05
Acceptable	1.1
Somewhat Undesirable	1.15
Undesirable	1.2

v. Revenue Factor

Annual Revenue (range)	Factor
1	.0763
1,000,001	0.813
2,500,001	0.916
5,000,001	0.984
7,500,001	1.030
10,000,001	1.068
15,000,001	1.119
20,000,001	1.177
30,000,001	1.289
50,000,001	1.442
75,000,001	1.526
> 100,000,000	1.5

vi. Deductible Factor is determined as follows

Deductible	Factor
\$1,000	1.12
\$2,500	1.05
5,000	1.0
10,000	.92
25,000	.76
50,000	.65
100,000	.50
250,000	.43

vii. Hazard Group Factor is determined as follows:

Hazard Group	Factor
No Claims	.85
No Paid Loss >\$10,000	1.0
Paid Loss >\$10,000	1.15

viii. Outsourcing of Website Hosting and Network Systems Development Factor =

Usage	Factor
Yes	.85
Unknown	1.0
No	1.15

ix. Network Access Granted to Authorized Third Parties Factor =

Usage	Factor
Vendor Management Program In Place	.85
Unknown	1.0
No Vendor Management Program	1.15

x. Time Sensitive Transactions Factor =

Usage	Factor
e-Commerce Sales <25%	.85
Unknown	1.0
e-Commerce Sales >25%	1.15

xi. Use of Wireless Applications Factor =

Usage	Factor
WPA2	.85
Unknown	1.0
WPA	1.15

xii. Use of Encryption Factor =

Usage	Factor
In Mobile Devices	.85
Unknown	1.0
In Network Only	1.15

xiii. Use of Employees Personal Devices Factor =

Usage	Factor
Less than 25% of Staff	.85
Unknown	1.0
25% or more of Staff	1.15

xiv. IRPM Factor (see Appendix I)

**F.** Contingent Business Interruption Premium is \$50 or the product of the following, whichever is larger

Loss Cost X Loss Cost Multiplier X Classification Rating Factor X Revenue Factor X Deductible Factor X Waiting Period X Hazard Group Factor X Outsourcing of Website Hosting and Network Systems Development Factor X Network Access Granted to Third Parties Factor X Time Sensitive Transactions Factor X Use of Wireless Applications Factor X Use of Encryption Factor X Use of Employees Personal Devices Factor X Firewall Protection Factor X Antivirus and Malware Software Factor X Systems Configuration Factor (ROUND) X IRPM Factor

i. Loss Cost are calculated as follows:

Limit (range)	Cost Per \$1,000
\$1	\$3.70
\$500,001	\$0.78
\$1,000,001	\$0.40
\$2,000,001	\$0.33
\$5,000,001	\$0.28
\$10,000,001	Decline to Quote

ii. Loss Cost Multiplier: .8

iii. Classification Rating Factor is determined as follows

Classification	Factor
Highly Desirable	.90
Desirable	1.0
Somewhat Desirable	1.05
Acceptable	1.1
Somewhat Undesirable	1.15
Undesirable	1.2

iv. Revenue Factor

Annual Revenue (range)	Factor
1	0.811
1,000,001	0.849
2,500,001	0.930
5,000,001	0.986
7,500,001	1.024
10,000,001	1.055
15,000,001	1.095
20,000,001	1.141
30,000,001	1.230
50,000,001	1.352
75,000,001	1.420
> 100,000,001	1.4

v. Deductible Factor

Per Incident	Factor
\$1,000	1.12
\$2,500	1.05
\$5,000	1.0
\$10,000	.92
\$25,000	.76
\$50,000	.65
\$100,000	.50
\$250,000	.43

vi. Waiting Period Table

Waiting Period	Factor
4 Hours	1.10
8 Hours	1.05
10 Hours	1.0
12 Hours	0.95
24 Hours	0.90

vii. Hazard Group Factor is determined as follows:

Hazard Group	Factor
No Claims	.85
No Paid Loss >\$10,000	1.0
Paid Loss >\$10,000	1.15

viii. Outsourcing of Website Hosting and Network Systems Development Factor =

Usage	Factor
Yes	.85
Unknown	1.0
No	1.15

ix. Network Access Granted to Authorized Third Parties Factor =

<b>Usage</b>	<b>Factor</b>
Vendor Management Program In Place	.85
Unknown	1.0
No Vendor Management Program	1.15

x. Time Sensitive Transactions Factor =

<b>Usage</b>	<b>Factor</b>
e-Commerce Sales <25%	.85
Unknown	1.0
e-Commerce Sales >25%	1.15

xi. Use of Wireless Applications Factor =

<b>Usage</b>	<b>Factor</b>
WPA2	.85
Unknown	1.0
WPA	1.15

xii. Use of Encryption Factor =

<b>Usage</b>	<b>Factor</b>
In Mobile Devices	.85
Unknown	1.0
In Network Only	1.15

xiii. Use of Employees Personal Devices Factor =

<b>Usage</b>	<b>Factor</b>
Less than 25% of Staff	.85
Unknown	1.0
25% or more of Staff	1.15

xiv. Firewall Protection Factor =

<b>Usage</b>	<b>Factor</b>
Up to Date	0.85
Unknown	1.0
Out of Date	1.15

xv. Anti-virus and Malware Software Factor =

<b>Usage</b>	<b>Factor</b>
Up to Date	0.85
Unknown	1.0
Out of Date	1.15

xvi. Systems Configuration Factor =

<b>Usage</b>	<b>Factor</b>
PCI and/or HIPAA Compliant	.85
Unknown	1.0
Not PCI and/or HIPAA Compliant	1.15

xvii. IRPM Factor (See Appendix I)



**G. Cyber Crime Premium is \$150 or the product of the following, whichever is larger:**

Loss Cost X Loss Cost Multiplier X Classification Rating Factor X Revenue Factor X Deductible Factor X Hazard Group Factor X Outsourcing of Website Hosting and Network Systems Development Factor X Network Access Granted to Third Parties Factor X Time Sensitive Transactions Factor X Use of Wireless Applications Factor X Use of Encryption Factor X Use of Employees Personal Devices Factor (ROUND)\* X IRPM

\*This rounded premium is the Cyber Crime Loss Premium A referred to in connection with Form #CY3007

i. Loss Cost are calculated as follows:

Limit (range)	Cost Per \$1,000
\$1	\$1.07
\$500,001	\$0.22
\$1,000,001	\$0.12
\$2,000,001	\$0.10
\$5,000,001	\$0.08
\$10,000,001	Decline to quote

ii. Loss Cost Multiplier: .8

iii. Classification Rating Factor is determined as follows

Classification	Factor
Highly Desirable	.90
Desirable	1.0
Somewhat Desirable	1.05
Acceptable	1.1
Somewhat Undesirable	1.15
Undesirable	1.2

iv. Revenue Factor

Annual Revenue (range)	Factor
1	0.811
1,000,001	0.849
2,500,001	0.930
5,000,001	0.986
7,500,001	1.024
10,000,001	1.055
15,000,001	1.095
20,000,001	1.141
30,000,001	1.230
50,000,001	1.352
75,000,001	1.420
> 100,000,001	1.4

v. Deductible Factor is determined as follows

Deductible	Factor
\$1,000	1.12
\$2,500	1.05
5,000	1.0
10,000	.92
25,000	.76

	50,000	.65
	100,000	.50
	250,000	.43
vi.	Hazard Group Factor is determined as follows:	
	<b>Hazard Group</b>	<b>Factor</b>
	No Claims	.85
	No Paid Loss >\$10,000	1.0
	Paid Loss >\$10,000	1.15
vii.	Outsourcing of Website Hosting and Network Systems Development Factor =	
	<b>Usage</b>	<b>Factor</b>
	Yes	.85
	Unknown	1.0
	No	1.15
viii.	Network Access Granted to Authorized Third Parties Factor =	
	<b>Usage</b>	<b>Factor</b>
	Vendor Management Program In Place	.85
	Unknown	1.0
	No Vendor Management Program	1.15
ix.	Time Sensitive Transactions Factor =	
	<b>Usage</b>	<b>Factor</b>
	e-Commerce Sales <25%	.85
	Unknown	1.0
	e-Commerce Sales >25%	1.15
x.	Use of Wireless Applications Factor =	
	<b>Usage</b>	<b>Factor</b>
	WPA2	.85
	Unknown	1.0
	WPA	1.15
xi.	Use of Encryption Factor =	
	<b>Usage</b>	<b>Factor</b>
	In Mobile Devices	.85
	Unknown	1.0
	In Network Only	1.15
xii.	Use of Employees Personal Devices Factor =	
	<b>Usage</b>	<b>Factor</b>
	Less than 25% of Staff	.85
	Unknown	1.0
	25% or more of Staff	1.15
xiii.	IRPM Factor (see Appendix I)	

**Step 2:** Liability Expense Premium is \$250 or the sum of the following, whichever is larger:

*Premiums A – B below are calculated as follows and each rounded to three decimals where indicated (ROUND) and then rounded again to the nearest whole dollar at the end.*

A - Media Incident Premium

B - Cyber Liability Premium

**A.** Media & Website Publishing Liability Term Premium = \$100 or the product of the following, whichever is larger

Loss Cost X Loss Cost Multiplier Factor X Multiple Insuring Agreement Factor X Classification Rating Factor X Adjusted Limit Factor X Hazard Group Factor X Claims Made Multiplier X Outsourcing of Website Hosting and Network Systems Development Factor X Network Access Granted to Third Parties Factor X Time Sensitive Transactions Factor X Use of Wireless Applications Factor X Use of Encryption Factor X Use of Employees Personal Devices Factor (ROUND) X IRPM Factor

i. Loss Cost are calculated as follows:

Revenues	Loss Costs
\$1	\$401
\$1,000,001	\$1004
\$2,500,001	\$2174
\$5,000,001	\$2731
\$7,500,001	\$3135
\$10,000,001	\$3511
\$15,000,001	\$4013
\$20,000,001	\$4314
\$30,000,001	\$4895
\$50,000,001	\$5618
\$75,000,001	\$6019
>\$100,000,001	\$6000

ii. Loss Cost Multiplier: .7

iii. Multiple Insuring Agreement Factor = .58

iv. Classification Rating Factor is determined as follows

Classification	Factor
Highly Desirable	.90
Desirable	1.0
Somewhat Desirable	1.05
Acceptable	1.1
Somewhat Undesirable	1.15
Undesirable	1.2

v. Adjusted Limit Factor = Limit Factor ( from table) – Deductible Factor (from table)

Limit	Limit Factor
\$100,000	.7
\$250,000	.8
\$500,000	1.0
\$1,000,000	1.33
\$2,000,000	1.7
\$2,500,000	1.84

\$3,000,000	1.93
\$4,000,000	2.00
\$5,000,000	2.26

Deductible	Deductible Factor
\$1,000	(0.054)
\$2,500	(0.030)
5,000	0
10,000	0.045
25,000	0.137
50,000	0.234
100,000	0.354
250,000	0.571

- vi. Hazard Group Factor is determined as follows:

Hazard Group	Factor
No Claims	.85
No Paid Loss >\$10,000	1.0
Paid Loss >\$10,000	1.15

- vii. Claims Made Multiplier

Years of Prior Acts	Claims Made Multiplier
1 or less	0.85
More than 1 but less than 3	0.90
3 Years or more	1.00

- viii. Outsourcing of Website Hosting and Network Systems Development Factor =

Usage	Factor
Yes	.85
Unknown	1.0
No	1.15

- ix. Network Access Granted to Authorized Third Parties Factor =

Usage	Factor
Vendor Management Program In Place	.85
Unknown	1.0
No Vendor Management Program	1.15

- x. Time Sensitive Transactions Factor =

Usage	Factor
e-Commerce Sales <25%	.85
Unknown	1.0
e-Commerce Sales >25%	1.15

- xi. Use of Wireless Applications Factor =

Usage	Factor
WPA2	.85
Unknown	1.0
WPA	1.15

xii. Use of Encryption Factor =

Usage	Factor
In Mobile Devices	.85
Unknown	1.0
In Network Only	1.15

xiii. Use of Employees Personal Devices Factor =

Usage	Factor
Less than 25% of Staff	.85
Unknown	1.0
25% or more of Staff	1.15

xiv. IRPM Factor (see Appendix I)

**B.** Cyber Liability Term Premium = \$150 or the product of the following, whichever is larger:

(Security Breach Charge + PCI Costs Charge) X IRPM Factor (see Appendix I)

The Charges above are calculated as follows:

(1) Security Breach Charge is the product of the following:

Loss Cost X Loss Cost Multiplier Factor X Multiple Insuring Agreement Factor X Classification Rating Factor X Adjusted Limit Factor X Hazard Group Factor X Claims Made Multiplier X Outsourcing of Website Hosting and Network Systems Development Factor X Network Access Granted to Third Parties Factor X Time Sensitive Transactions Factor X Use of Wireless Applications Factor X Use of Encryption Factor X Use of Employees Personal Devices Factor X Personal Information Modification Factor X Systems Security Modification Factor X Level of Data Sensitivity Being Stored Factor X Transferability and Spread of Risk Modification Factor (ROUND)

i. Loss Cost are calculated as follows:

Revenues	Loss Costs
\$1	\$2325
\$1,000,001	\$2761
\$2,500,001	\$3682
\$5,000,001	\$4327
\$7,500,001	\$4766
\$10,000,001	\$5115
\$15,000,001	\$5580
\$20,000,001	\$6103
\$30,000,001	\$7130
\$50,000,001	\$8525
\$75,000,001	\$9300
>\$100,000,000	\$9000

ii. Loss Cost Multiplier: .7

iii. Multiple Insuring Agreement Factor = .58

- iv. Classification Rating Factor is determined as follows

Classification	Factor
Highly Desirable	.90
Desirable	1.0
Somewhat Desirable	1.05
Acceptable	1.1
Somewhat Undesirable	1.15
Undesirable	1.2

- v. Adjusted Limit Factor = Limit Factor ( from table below) – Deductible Factor (from table below)

Limit	Limit Factor
\$100,000	0.70
\$250,000	0.80
\$500,000	1.00
\$1,000,000	1.40
\$2,000,000	1.95
\$2,500,000	2.16
\$3,000,000	2.30
\$4,000,000	2.65
\$5,000,000	2.87

  

Deductible	Deductible Factor
\$1,000	(0.042)
\$2,500	(0.024)
5,000	0.000
10,000	0.037
25,000	0.114
50,000	0.199
100,000	0.310
250,000	0.531

- vi. Hazard Group Factor is determined as follows:

Hazard Group	Factor
No Claims	.85
No Paid Loss >\$10,000	1.0
Paid Loss >\$10,000	1.15

- vii. Claims Made Multiplier

Years of Prior Acts	Claims Made Multiplier
1 or less	.85
More than 1 but less than 3	.9
3 Years or more	1.0

- viii. Outsourcing of Website Hosting and Network Systems Development Factor =

Usage	Factor
Yes	.85
Unknown	1.0
No	1.15

- ix. Network Access Granted to Authorized Third Parties Factor =

Usage	Factor
Vendor Management Program In Place	.85
Unknown	1.0
No Vendor Management Program	1.15

x.	Time Sensitive Transactions Factor =		
	<b>Usage</b>	<b>Factor</b>	
	e-Commerce Sales <25%	.85	
	Unknown	1.0	
	e-Commerce Sales >25%	1.15	
xi.	Use of Wireless Applications Factor =		
	<b>Usage</b>	<b>Factor</b>	
	WPA2	.85	
	Unknown	1.0	
	WPA	1.15	
xii.	Use of Encryption Factor =		
	<b>Usage</b>	<b>Factor</b>	
	In Mobile Devices	.85	
	Unknown	1.0	
	In Network Only	1.15	
xiii.	Use of Employees Personal Devices Factor =		
	<b>Usage</b>	<b>Factor</b>	
	Less than 25% of Staff	.85	
	Unknown	1.0	
	25% or more of Staff	1.15	
xiv.	Personal Information Modification Factor =		
	<b>PII Records</b>	<b>Factor</b>	
	Under 10,000	.85	
	Unknown	1.0	
	Over 10,000	1.15	
xv.	Systems Security Modification Factor =		
	<b>Systems Security</b>	<b>Factor</b>	
	High	.85	
	Medium	1.0	
	Low	1.15	
xvi.	Level of Data Sensitivity Being Stored Factor =		
	<b>Level of Data Sensitivity Being Stored</b>	<b>Factor</b>	
	Employee Only	.85	
	Employee and PCI	1.0	
	PHI	1.15	
xvii.	Transferability and Spread of Risk Modification Factor =		
	<b>Transferability and Spread of Risk</b>	<b>Factor</b>	
	Favorable Contract Terms	.85	
	Unknown	1.0	
	Unfavorable Contract Terms	1.15	
(2)	PCI Costs Charge is the product of the following:		
	Security Breach Charge X PCI Costs Factor		
	<b>PCI Costs Included</b>	<b>PCI Factor</b>	
	Yes	0.1	
	No	0.0	

#### **IV. Limits**

The Limits of Insurance offered will range from a minimum of \$100K to a maximum of \$5,000,000. Insureds are required to purchase a limit for both Insuring Agreements.

Risk e-Business features a 1<sup>st</sup> Party Insuring Agreement, Insuring Agreement A, which pays the Insured's Loss Expense at the purchased Limit of Insurance with the exception of two coverages that are specifically sub-limited: Contingent Business Interruption Loss and Cyber Crime Loss. The Insured may select sub-limits for each of those coverages at the following levels: (a) \$50,000 (b) \$100,000 (c) \$250,000. In no event will the limit of insurance for Contingent Business Interruption Loss or Cyber Crime Loss exceed the Limit of Insurance purchased for the 1<sup>st</sup> Party Insuring Agreement.

Risk e-Business also features a Liability Insuring Agreement, Insuring Agreement B, which pays Defense Expense and indemnity at the purchased Limit of Insurance. Defense Expenses are within the Limits of Insurance for Insuring Agreement B

All Limits of Insurance are subject to a Policy Aggregate stated on the Declarations. The Policy Aggregate will be equal to the highest limit of insurance purchased, however, all coverage is provided on a shared limits basis such that payments under any/all insuring agreements will erode the aggregate.

#### **V. Minimum Premium**

Minimum premiums, as detailed in Section III. above, are applied at the coverage level and are expressed on an annual basis. We intend to apply the Term Factors to minimum premiums such that, for example, a 6 month policy for an Insured that generates a minimum premium would pay 50% of the minimum premium.

#### **VI. Terrorism**

Risk e-Business buyers will be provided the option to accept or reject coverage pursuant to TRIA. Buyers that accept the offer will have a Cap on Losses from Certified Acts of Terrorism as well as a Disclosure Pursuant to Terrorism Risk Insurance Act endorsement added to their policy. Buyers that reject the offer will receive a Terrorism Exclusion endorsement as well as a Disclosure Pursuant to Terrorism Risk Insurance Act – Rejection of Offer endorsement added to their policy. None of the aforementioned endorsements are premium bearing.



## VII. Optional Forms

The following table (Table 1) details the Optional Forms available. Optional forms are attached based on the underwriter's evaluation of acceptable risk exposures or at the Insured's request. Premium for the attachment of an optional form is based on one of the following:

- A. Forms added for clarification purposes have no impact on rate and are identified in the table below as C (clarifies coverage)
- B. Forms added to amend the policy to include additional coverages will increase the premium and are identified in the table below as B (broadens coverage)
- C. Forms added to amend the policy to reduce or eliminate coverage will decrease the premium and are identified in the table below as R (restricts coverage)

Please refer to Appendix III attached with respect to the premium impact of any optional form indicated as Premium Bearing in Table 1.

Endorsement Title	State	Form #	Ed.#	Premium Bearing?	Restricts /Broadens/Clarifies
ALASKA EXCLUSION OF CERTIFIED ACTS OF TERRORISM	AK	CY 7005	19-Jan	No	C
CONTINUITY OF COVERAGE ENDORSEMENT	CW	CY 0004	19-Jan	No	B
AMENDMENT TO SECTION I. INSURING AGREEMENTS	CW	CY 0005	19-Jan	No	C
AMENDMENT TO SECTION II. SUPPLEMENTAL COVERAGES	CW	CY 0006	19-Jan	No	C
AMENDMENT TO SECTION III. DEFINITIONS	CW	CY 0007	19-Jan	No	C
AMENDMENT TO SECTION IV EXCLUSIONS	CW	CY 0008	19-Jan	No	C
AMENDMENT TO SECTION V GENERAL TERMS & CONDITIONS	CW	CY 0009	19-Jan	No	C
ADDITION OF ACQUIRED ENTITY	CW	CY 0011	19-Jan	No	B
AMENDED NOTICE PROVISION	CW	CY 0012	19-Jan	No	C
AMENDED CANCELLATION AND NON-RENEWAL PROVISIONS	CW	CY 0013	19-Jan	No	C
DELETION OF SUBSIDIARY	CW	CY 0014	19-Jan	No	R
CLAIM AND REGULATORY COST WITH REFERENCE TO SPECIFIC STATUTES	CW	CY 0015	19-Jan	No	C
WAIVER OF SUBROGATION AND PRIMARY, NON-CONTRIBUTORY FEATURE	CW	CY 0016	19-Jan	No	B
RETROACTIVE DATE ENDORSEMENT	CW	CY 2001	19-Jan	No	R
GENERAL LIMITATION OF COVERAGE	CW	CY 2002	19-Jan	No	R
DELETION OF PCI COSTS COVERAGE	CW	CY 2004	19-Jan	No	R
DELETION OF COVERAGE FOR CONTINGENT BUSINESS INTERRUPTION LOSS	CW	CY 2005	19-Jan	No	R
DELETION OF COVERAGE CYBER CRIME LOSS	CW	CY 2006	19-Jan	No	R
POLICY CHANGES	CW	CY 6001	19-Jan	No	C
TERRORISM COVERAGE ENDORSEMENT CAP ON LOSS FROM CERTIFIED ACTS	CW	CY 7001	19-Jan	No	C
DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT	CW	CY 7002	19-Jan	No	C
EXCLUSION OF TERRORISM	CW	CY 7003	19-Jan	No	R
DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT - REJECTION OF OFFER	CW	IL7210	15-Oct	No	C
REJECTION OF OFFER PURSUANT TO TERRORISM RISK INSURANCE ACT - FLORIDA	FL	IL7265	15-Jan	No	C
MISSOURI DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT	MO	CY 7004	19-Jan	No	C
DELETION OF MEDIA INCIDENT COVERAGE	CW	CY 2003	19-Jan	YES	R
REMOVAL OF SOCIAL MEDIA COVERAGE	CW	CY 2007	19-Jan	YES	R
TRANSFER OF FUNDS ENDORSEMENT	CW	CY 3001	19-Jan	YES	B
TECHNOLOGY AND TELECOMMUNICATIONS ERRORS AND OMISSIONS LIABILITY COVERAGE	CW	CY 3002	19-Jan	YES	B
DEFENSE EXPENSE IN ADDITION TO THE LIMIT OF INSURANCE	CW	CY 3003	19-Jan	YES	B
ADDITIONAL INSURED COVERAGE	CW	CY 3004	19-Jan	YES	B
LOSS OF INCOME DUE TO NEGATIVE PUBLICITY	CW	CY 3005	19-Jan	YES	B
INTELLECTUAL PROPERTY INFRINGEMENT DEFENSE EXPENSE SUBLIMIT	CW	CY 3006	19-Jan	YES	B
ESCROW FUNDS EXTENSION TO SOCIAL ENGINEERING ATTACK	CW	CY 3007	19-Jan	YES	B
ADDITIONAL EXTENDED REPORTING PERIOD	CW	CY 5000	19-Jan	YES	C

Table 1 – Optional Forms

## Appendix I

### IRPM - Individual Risk Premium Modification

- IRPM is available in all states except HI, MS, NY & VT.
- The eligibility Premium (minimum premium) for IRPM to be applied is \$1,000 for all IRPM available states.
- *Table-2 IRPM Eligibility Premium & Credits/Debits* gives the eligibility premium, minimum IRPM & maximum IRPM for all IRPM available states.
- If the total policy premium is less than a \$1,000 (IRPM eligibility premium), then apply a factor of 1.00 as IRPM factor.
- Table - 3 gives the Risk Characteristics, its description, and it's Min & Max IRPM %.
- The sum of total IRPM credits and debits cannot exceed the State Min/Max

State	State code	Eligibility Premium	Minimum IRPM	Maximum IRPM
Alabama	AL	\$1,000	-40%	40%
Alaska	AK	\$1,000	-25%	25%
Arizona	AZ	\$1,000	-40%	40%
Arkansas	AR	\$1,000	-40%	40%
California	CA	\$1,000	-40%	40%
Colorado	CO	\$1,000	-25%	25%
Connecticut	CT*	\$1,000	-25%	25%
Delaware	DE	\$1,000	-40%	40%
District of Columbia	DC	\$1,000	-40%	40%
Florida	FL*	\$1,000	-25%	25%
Georgia	GA	\$1,000	-40%	40%
Hawaii	HI	Not applicable	Not applicable	Not applicable
Idaho	ID	\$1,000	-40%	40%
Illinois	IL*	\$1,000	-40%	40%
Indiana	IN	\$1,000	-40%	40%
Iowa	IA	\$1,000	-25%	25%
Kansas	KS	\$1,000	-40%	40%
Kentucky	KY	\$1,000	-40%	40%
Louisiana	LA*	\$1,000	-25%	25%
Maine	ME	\$1,000	-40%	40%
Maryland	MD	\$1,000	-40%	40%
Massachusetts	MA	\$1,000	-25%	25%
Michigan	MI	\$1,000	-25%	25%
Minnesota	MN	\$1,000	-40%	40%
Mississippi	MS	Not applicable	Not applicable	Not applicable
Missouri	MO	\$1,000	-25%	25%
Montana	MT	\$1,000	-40%	40%
Nebraska	NE	\$1,000	-25%	25%
Nevada	NV	\$1,000	-40%	40%
New Hampshire	NH	\$1,000	-40%	40%
New Jersey	NJ	\$1,000	-25%	25%
New Mexico	NM	\$1,000	-40%	40%

New York	<b>NY</b>	Not applicable	Not applicable	Not applicable
North Carolina	<b>NC</b>	\$1,000	-40%	40%
North Dakota	<b>ND</b>	\$1,000	-40%	40%
Ohio	<b>OH</b>	\$1,000	-25%	25%
Oklahoma	<b>OK</b>	\$1,000	-40%	40%
Oregon	<b>OR</b>	\$1,000	-40%	40%
Pennsylvania	<b>PA</b>	\$1,000	-40%	40%
Rhode Island	<b>RI</b>	\$1,000	-40%	40%
South Carolina	<b>SC</b>	\$1,000	-40%	40%
South Dakota	<b>SD</b>	\$1,000	-25%	25%
Tennessee	<b>TN</b>	\$1,000	-40%	40%
Texas	<b>TX*</b>	\$1,000	-40%	40%
Utah	<b>UT</b>	\$1,000	-25%	25%
Vermont	<b>VT</b>	Not applicable	Not applicable	Not applicable
Virginia	<b>VA*</b>	\$1,000	-40%	40%
Washington	<b>WA</b>	\$1,000	-40%	40%
West Virginia	<b>WV</b>	\$1,000	-40%	40%
Wisconsin	<b>WI</b>	\$1,000	-40%	40%
Wyoming	<b>WY</b>	\$1,000	-40%	40%

*Table-2 IRPM Eligibility Premium & Credits/Debits*

S No	Risk Characteristic	Description	Min IRPM	Max IRPM
1	Management of Content	Use of disclaimers; contractual indemnification language; experience of content reviewers/web site content reviewers in handling intellectual property matters; hold harmless agreements and work-for-hire clauses received from content providers; use of linking agreements; web site marketing practices; legal review performed prior to releasing content'	-15%	15%
2	Data Collection and Management Practices	Purpose for and level of data collection; methods of obtaining permission to collect and use the data; procedures for safeguarding data during transmission and during storage	-15%	15%
3	Company Stability	Extent of merger, acquisition, spin-off, divestiture, start-up, or reduction in force types of activity	-15%	15%
4	Disaster Recovery Planning	Level of system redundancy; backup procedures; nature and level of Internet service provider and application service provider agreements; disaster recovery plan; degree of preparedness for unscheduled system downtime	-25%	25%
5	Financial Condition	Degree of liquidity, leverage, and profitability, which, taken together, would make the risk average, less than average or better than average	-15%	15%
6	Employee Security Awareness	Level of resources dedicated to educating employees to risks of phishing emails, physical security of personal information, and password security	-15%	15%
7	Management Experience	Degree of C-suite's experience with privacy and network security, internal controls, best practices, etc. which, taken together, would make the risk average, less than average, or better than average.	-15%	15%

Table-3 Risk Characteristics

**Appendix II**  
**Complete Forms Inventory**

<b>Title</b>	<b>Form Number</b>	<b>Attachment</b>
CONTINUITY OF COVERAGE ENDORSEMENT	CY 0004	Optional
ADDITION OF ACQUIRED ENTITY	CY 0011	Optional
AMENDED NOTICE PROVISION	CY 0012	Optional
AMENDED CANCELLATION AND NON-RENEWAL PROVISIONS	CY 0013	Optional
DELETION OF SUBSIDIARY	CY 0014	Optional
CLAIM AND REGULATORY COST WITH REFERENCE TO SPECIFIC STATUTES	CY 0015	Optional
WAIVER OF SUBROGATION AND PRIMARY, NON-CONTRIBUTORY FEATURE	CY 0016	Optional
ALASKA CHANGES ATTORNEY'S FEES	CY 1001	Mandatory
ALASKA CHANGES CANCELLATION AND NONRENEWAL	CY 1002	Mandatory
ARIZONA CHANGES CANCELLATION AND NON-RENEWAL	CY 1003	Mandatory
ARKANSAS CHANGES CANCELLATION AND NON-RENEWAL	CY 1004	Mandatory
CALIFORNIA CHANGES CANCELLATION AND NONRENEWAL	CY 1005	Mandatory
COLORADO CHANGES CANCELLATION AND NON-RENEWAL	CY 1006	Mandatory
CONNECTICUT CHANGES CANCELLATION AND NON-RENEWAL	CY 1007	Mandatory
DELAWARE CHANGES CANCELLATION AND NON-RENEWAL	CY 1008	Mandatory
FLORIDA CHANGES LOSS PREVENTION SERVICES	CY 1009	Mandatory
FLORIDA CHANGES CANCELLATION AND NON-RENEWAL	CY 1010	Mandatory
GEORGIA CHANGES CANCELLATION AND NON-RENEWAL	CY 1011	Mandatory
HAWAII CHANGES CANCELLATION AND NON-RENEWAL	CY 1012	Mandatory
IDAHO CHANGES CANCELLATION AND NON-RENEWAL	CY 1013	Mandatory
ILLINOIS CHANGES CANCELLATION AND NON-RENEWAL	CY 1014	Mandatory
IOWA CHANGES CANCELLATION AND NON-RENEWAL	CY 1015	Mandatory
KANSAS CHANGES CANCELLATION AND NON-RENEWAL	CY 1016	Mandatory
KENTUCKY CHANGES CANCELLATION AND NON-RENEWAL	CY 1017	Mandatory
MAINE CHANGES CANCELLATION AND NON-RENEWAL	CY 1019	Mandatory
MARYLAND CHANGES CANCELLATION AND NON-RENEWAL	CY 1020	Mandatory
MICHIGAN CHANGES CANCELLATION AND NON-RENEWAL	CY 1021	Mandatory
MINNESOTA CHANGES CANCELLATION AND NON-RENEWAL	CY 1022	Mandatory
MISSOURI CHANGES CANCELLATION AND NON-RENEWAL	CY 1023	Mandatory
MONTANA CHANGES CANCELLATION AND NON-RENEWAL	CY 1024	Mandatory
MONTANA CHANGES CONFORMITY WITH STATUTES	CY 1025	Mandatory
NEBRASKA CHANGES CANCELLATION AND NON-RENEWAL	CY 1026	Mandatory
NEVADA CHANGES CANCELLATION AND NON-RENEWAL	CY 1027	Mandatory
NEW HAMPSHIRE CHANGES CANCELLATION AND NON-RENEWAL	CY 1028	Mandatory

NEW JERSEY CHANGES CANCELLATION AND NON-RENEWAL	CY 1029	Mandatory
NEW MEXICO CHANGES CANCELLATION AND NONRENEWAL	CY 1030	Mandatory
NORTH CAROLINA CHANGES CANCELLATION AND NONRENEWAL	CY 1031	Mandatory
NORTH DAKOTA CHANGES CANCELLATION AND NONRENEWAL	CY 1032	Mandatory
OHIO CHANGES CANCELLATION AND NONRENEWAL	CY 1033	Mandatory
OHIO CHANGES LOSS INFORMATION	CY 1034	Mandatory
OKLAHOMA CHANGES CANCELLATION AND NONRENEWAL	CY 1035	Mandatory
OREGON CHANGES CANCELLATION AND NONRENEWAL	CY 1036	Mandatory
PENNSYLVANIA CHANGES CANCELLATION AND NONRENEWAL	CY 1037	Mandatory
RHODE ISLAND CHANGES CANCELLATION AND NONRENEWAL	CY 1038	Mandatory
SOUTH CAROLINA CHANGES CANCELLATION AND NONRENEWAL	CY 1039	Mandatory
TENNESSEE CHANGES CANCELLATION AND NONRENEWAL	CY 1040	Mandatory
TEXAS CHANGES CANCELLATION AND NONRENEWAL	CY 1041	Mandatory
UTAH CHANGES CANCELLATION AND NONRENEWAL	CY 1042	Mandatory
VIRGINIA CHANGES CANCELLATION AND NONRENEWAL	CY 1043	Mandatory
WASHINGTON CHANGES CANCELLATION AND NONRENEWAL	CY 1044	Mandatory
WISCONSIN CHANGES CANCELLATION AND NONRENEWAL	CY 1045	Mandatory
WYOMING CHANGES CANCELLATION AND NONRENEWAL	CY 1046	Mandatory
TEXAS STATE AMENDATORY	CY 1061	MANDATORY
RETROACTIVE DATE ENDORSEMENT	CY 2001	Mandatory
GENERAL LIMITATION OF COVERAGE	CY 2002	Optional
DELETION OF MEDIA INCIDENT COVERAGE	CY 2003	Optional
DELETION OF PCI COSTS COVERAGE	CY 2004	Optional
DELETION OF COVERAGE FOR CONTINGENT BUSINESS INTERRUPTION LOSS	CY 2005	Optional
DELETION OF COVERAGE CYBER CRIME LOSS	CY 2006	Optional
REMOVAL OF SOCIAL MEDIA COVERAGE	CY 2007	Optional
TRANSFER OF FUNDS ENDORSEMENT	CY 3001	Optional
TECHNOLOGY AND TELECOMMUNICATIONS ERRORS AND OMISSIONS LIABILITY COVERAGE	CY 3002	Optional
DEFENSE EXPENSE IN ADDITION TO THE LIMIT OF INSURANCE	CY 3003	Optional
ADDITIONAL INSURED COVERAGE	CY 3004	Optional
LOSS OF INCOME DUE TO NEGATIVE PUBLICITY	CY 3005	Optional
INTELLECTUAL PROPERTY INFRINGEMENT DEFENSE EXPENSE SUBLIMIT	CY 3006	Optional
ESCROW FUNDS EXTENSION TO SOCIAL ENGINEERING ATTACK	CY 3007	Optional
RISK E-BUSINESS CYBER LOSS & LIABILITY INSURANCE POLICY	CY 4000	Optional
Table of Contents	CY 4001	Mandatory
ADDITIONAL EXTENDED REPORTING PERIOD	CY 5000	Optional

DECLARATIONS FOR RISK E-BUSINESS CYBER LOSS & LIABILITY INSURANCE POLICY	CY 6000	Mandatory
POLICY CHANGES	CY 6001	Optional
TERRORISM COVERAGE ENDORSEMENT CAP ON LOSS FROM CERTIFIED ACTS	CY 7001	Optional
DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT	CY 7002	Optional
EXCLUSION OF TERRORISM	CY 7003	Optional
MISSOURI DISCLOSURE PURSUANT TO TERRORISMS RISK INSURNACE ACT	CY 7004	Optional
ALASKA EXCLUSION OF CERTIFIED ACTS OF TERRORISM	CY 7005	Optional
LOUISIANA CHANGES CANCELLATION AND NON-RENEWAL	CY1018	Optional
RISK E-BUSINESS CYBER LOSS & LIABILITY INSURANCE POLICY APPLICATION	F.37002	Optional
DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT - REJECTION OF OFFER	IL7210	Mandatory
REJECTION OF OFFER PURSUANT TO TERRORISM RISK INSURANCE ACT - FLORIDA	IL7265	Mandatory
IN WITNESS CLAUSE	IL7268	N/A
ECONOMIC AND TRADE SANCTIONS CLAUSE	IL7324	Mandatory

### APPENDIX III.

#### Premium Calculations for Optional Rate Bearing Endorsements

Each of the premiums below are calculated as follows with each rounded to three decimals where indicated (ROUND) and then rounded again to the nearest whole dollar at the end.

1. Form #CY2003 Deletion of Media Incident Coverage

If Form #CY2003 is selected, the Media Incident Premium calculated in Step 2.A shall become \$0

2. Form #CY2007 Removal of Social Media Coverage

If Form #CY2007 is selected, the Media Incident Premium calculated in Step 2.A shall be reduced by 5% prior to the application of the IRPM

3. Form #CY3001 Transfer of Funds Endorsement

If form CY3001 is selected, the Transfer of Funds Premium will be \$100 or the product of the following, whichever is greater:

Loss Cost X Loss Cost Multiplier X Classification Rating Factor X Deductible Factor X Hazard Group Factor X Outsourcing of Website Hosting and Network Systems Development Factor X Network Access Granted to Third Parties Factor X Time Sensitive Transactions Factor X Use of Wireless Applications Factor X Use of Encryption Factor X Use of Employees Personal Devices Factor (ROUND) X IRPM Factor

i. Loss Cost are calculated as follows:

Limit (range)	Cost Per \$1,000
\$1	\$1.07
\$500,001	\$0.22
\$1,000,001	\$0.12
\$2,000,001	\$0.10
\$5,000,001	\$0.08
\$10,000,001	Decline to Quote

ii. Loss Cost Multiplier: .8

iii. Classification Rating Factor is determined as follows

Classification	Factor
Highly Desirable	.90
Desirable	1.0
Somewhat Desirable	1.05
Acceptable	1.1
Somewhat Undesirable	1.15
Undesirable	1.2



iv. Revenue Factor

Annual Revenue (range)	Factor
1	0.811
1,000,001	0.849
2,500,001	0.930
5,000,001	0.986
7,500,001	1.024
10,000,001	1.055
15,000,001	1.095
20,000,001	1.141
30,000,001	1.230
50,000,001	1.352
75,000,001	1.420
> 100,000,000	1.4

v. Deductible Factor is determined as follows

Deductible	Factor
\$1,000	1.12
\$2,500	1.05
5,000	1.0
10,000	.92
25,000	.76
50,000	.65
100,000	.50
250,000	.43

vi. Hazard Group Factor is determined as follows:

Hazard Group	Factor
No Claims	.85
No Paid Loss >\$10,000	1.0
Paid Loss >\$10,000	1.15

vii. Outsourcing of Website Hosting and Network Systems Development Factor =

Usage	Factor
Yes	.85
Unknown	1.0
No	1.15

viii. Network Access Granted to Authorized Third Parties Factor =

Usage	Factor
Vendor Management Program In Place	.85
Unknown	1.0
No Vendor Management Program	1.15

ix. Time Sensitive Transactions Factor =

Usage	Factor
e-Commerce Sales <25%	.85

- Unknown 1.0  
e-Commerce Sales >25% 1.15
- x. Use of Wireless Applications Factor =
- | Usage   | Factor |
|---------|--------|
| WPA2    | .85    |
| Unknown | 1.0    |
| WPA     | 1.15   |
- xi. Use of Encryption Factor =
- | Usage             | Factor |
|-------------------|--------|
| In Mobile Devices | .85    |
| Unknown           | 1.0    |
| In Network Only   | 1.15   |
- xii. Use of Employees Personal Devices Factor =
- | Usage                  | Factor |
|------------------------|--------|
| Less than 25% of Staff | .85    |
| Unknown                | 1.0    |
| 25% or more of Staff   | 1.15   |
- xiii. IRPM Factor (see Appendix I)

4. Form #CY3002 Technology & Telecommunications Errors and Omissions Coverage

Technology & Telecommunications Errors and Omissions Coverage Premium = the greater of \$300 OR

Base Rate X Claims-Made Multiplier X Increased Limit Factor X Deductible Factor X Revenue Load (ROUND) X IRPM Factor

- i. Base Rate determined by Matrix where rates are per \$1,000 of Revenue and the Technology & Telecommunications E&O Classes Table (below) determines Rate Range 1, 2, or 3

Technology & Telecommunications E&O Classes	Rate Range #
Other; Records Management, Storage and Retrieval Software Development or Services; Telecommunications Hardware Manufacturing; Telecommunications Hardware Sales; Training and Education Software Development/Services	1
Telecommunications consulting; Telecommunications Hardware Facilities Management or Maintenance Services; Telecommunications Network Cabling and Wiring Services; Telecommunications Package Software Development, Sales or Services; Telecommunications Software Installation and Implementation; Telecommunications Systems Analysis, Design, Integration	2
Web Page Development, Hosting or Maintenance; Wireless Configuration or Installs	3

Revenue	Rate Range 1 (per \$1K revs)	Rate Range 2 (per \$1K revs)	Rate Range 3 (per \$1K revs)
\$0	0.60	1.00	1.80
\$5,000,001	0.45	0.90	1.62
\$10,000,001	0.36	0.80	1.44

- ii. Claims Made Multiplier

Years of Prior Acts  
1 or less

Claims Made Multiplier  
.85

	More than 1 but less than 3	.9
	3 Years or more	1.0
iii.	Increased Limit Factor	
	<b>Limit</b>	<b>Limit Factor</b>
	\$100,000	.65
	\$250,000	.8
	\$500,000	1.0
	\$1,000,000	1.33
	\$2,000,000	1.4
iv.	Deductible Factor	
	<b>Deductible</b>	<b>Factor</b>
	\$1,000	1.12
	\$2,500	1.05
	5,000	1.0
	10,000	.91
	25,000	.82
	50,000	.65
	100,000	.50
	250,000	.43
v.	Revenue Load = Annual Revenue / 1,000	
vi.	IRPM Factor (see Appendix I)	

5. Form #CY3003 Defense Expense in Addition to the Limit of Insurance

If Form #CY3003 is selected, the Defense Expense in Addition to the Limit of Insurance Premium is calculated as follows:

Liability Expense Premium X .15 X IRPM

6. Form #CY3004 Additional Insured Coverage

If Form #CY3004 is selected, the Additional Insured Coverage Premium will be the greater of \$250 X # of Additional Insureds OR the product of the following:

{(Liability Expense Premium + Technology & Telecommunications Errors and Omissions Coverage Premium) X .05} X Number of Additional Insureds

7. Form #CY3005 Loss of Income Due to Negative Publicity

If Form #CY3005 is selected the Loss of Income Due to Negative Publicity Coverage Premium will be the greater of \$150 or the product of the following:

Loss Cost X Loss Cost Multiplier X Multiple Insuring Agreement Factor X Classification Rating Factor X Revenue Factor X Deductible Factor X Hazard Group Factor X Outsourcing of Website Hosting and Network Systems Development Factor X Network Access Granted to Third Parties Factor X Time Sensitive Transactions Factor X Use of Wireless Applications Factor X Use of Encryption Factor X Use of Employees Personal Devices Factor (ROUND)

- i. Loss Cost are calculated as follows:

Limit (range)	Cost Per \$1,000
\$1	\$ 3.70
\$500,001	\$ 0.78
\$1,000,001	\$ 0.40
\$2,000,001	\$ 0.33
\$5,000,001	\$ 0.28
\$10,000,001	\$ 0.20

- ii. Loss Cost Multiplier: .8
- iii. Multiple Insuring Agreement Factor = .58
- iv. Classification Rating Factor is determined as follows

Classification	Factor
Highly Desirable	.90
Desirable	1.0
Somewhat Desirable	1.05
Acceptable	1.1
Somewhat Undesirable	1.15
Undesirable	1.2

- v. Revenue Factor

Annual Revenue (range)	Factor
1	0.811
1,000,001	0.849
2,500,001	0.930
5,000,001	0.986
7,500,001	1.024
10,000,001	1.055
15,000,001	1.095
20,000,001	1.141
30,000,001	1.230
50,000,001	1.352
75,000,001	1.420
> 100,000,000	1.40

- vi. Deductible Factor is determined as follows

Deductible	Factor
\$1,000	1.12
\$2,500	1.05
5,000	1.0
10,000	.92
25,000	.76
50,000	.65
100,000	.50
250,000	.43

vii. Hazard Group Factor is determined as follows:

<b>Hazard Group</b>	<b>Factor</b>
No Claims	.85
No Paid Loss >\$10,000	1.0
Paid Loss >\$10,000	1.15

viii. Outsourcing of Website Hosting and Network Systems Development Factor =

<b>Usage</b>	<b>Factor</b>
Yes	.85
Unknown	1.0
No	1.15

ix. Network Access Granted to Authorized Third Parties Factor =

<b>Usage</b>	<b>Factor</b>
Vendor Management Program In Place	.85
Unknown	1.0
No Vendor Management Program	1.15

x. Time Sensitive Transactions Factor =

<b>Usage</b>	<b>Factor</b>
e-Commerce Sales <25%	.85
Unknown	1.0
e-Commerce Sales >25%	1.15

xi. Use of Wireless Applications Factor =

<b>Usage</b>	<b>Factor</b>
WPA2	.85
Unknown	1.0
WPA	1.15

xii. Use of Encryption Factor =

<b>Usage</b>	<b>Factor</b>
In Mobile Devices	.85
Unknown	1.0
In Network Only	1.15

xiii. Use of Employees Personal Devices Factor =

<b>Usage</b>	<b>Factor</b>
Less than 25% of Staff	.85
Unknown	1.0
25% or more of Staff	1.15

8. Form #CY3006 Intellectual Property Infringement Defense Expense Sublimit

If Form CY3006 is selected the Intellectual Property Infringement Defense Expense Sublimit Premium is calculated as follows:

<b>Limit</b>	<b>Flat Charge</b>
\$25,000	\$100
\$50,000	\$150

\$100,000

\$200

9. Form #CY3007 Escrow Funds Extension to Social Engineering Attack

If Form #CY3007 is selected, the Escrow Funds Extension to Social Engineering Attack Premium will be \$50 or the product of the following, whichever is larger:

Cyber Crime Loss Premium A X .25 (ROUND) X IRPM

10. Form #CY5000 Additional Extended Reporting Period

If Form CY5000 is selected the Additional Extended Reporting Period Premium is calculated as follows:

TOTAL Premium X AERP Factor = Additional Extended Reporting Period Premium\*

<b>Additional Extended Reporting Period</b>	<b>AERP Factor</b>
12 months	.75
24 months	1.25
36 months	1.5

\*The Additional Extended Reporting Period is fully earned and non-cancellable