

Manual Rates
Cyber
Texas

Filing Number: 2019-12-0046

PUBLIC, PRIVATE and NON-PROFIT RATE SCHEDULE

The table below indicates a flat rate for the first \$50,000 in annual revenue* and a charge per thousand dollars of revenue for the indicated bands. Base rates provide for Defense Expenses Within Limits of \$1,000,000 each claim / \$1,000,000 for all claims with a \$25,000 damages and defense expenses retention applied to each claim.

Annual Revenue		Rate per \$1,000 of Annual Revenue
First	50,000	\$618 flat rate
Next	50,000	\$0.9000
Next	150,000	\$0.2400
Next	250,000	\$0.2100
Next	500,000	\$0.0960
Next	1,500,000	\$0.0312
Next	2,500,000	\$0.0143
Next	5,000,000	\$0.0728
Next	15,000,000	\$0.0533
Next	25,000,000	\$0.0270
Next	25,000,000	\$0.0216
Next	25,000,000	\$0.0190
Next	50,000,000	\$0.0134
Next	50,000,000	\$0.0131
Next	50,000,000	\$0.0102
Next	250,000,000	\$0.0080
Next	250,000,000	\$0.0058
Next	250,000,000	\$0.0050
Next	500,000,000	\$0.0017
Next	500,000,000	\$0.0016
Next	1,000,000,000	\$0.0014
Next	1,000,000,000	\$0.0013
Next	1,000,000,000	\$0.0012
Next	2,500,000,000	\$0.0007
Next	2,500,000,000	\$0.0006
Next	5,000,000,000	\$0.0005
Next	10,000,000,000	\$0.0004
Next	25,000,000,000	\$0.0001
Next	50,000,000,000	\$0.0001
Above	100,000,000,000	\$0.0001

* Indian nation or public entity/governmental authority risks will use annual net operating expenditures in place of annual revenue

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FINANCIAL INSTITUTIONS RATE SCHEDULE

The table below indicates a flat rate for the first \$5,000,000 in total assets and a charge per thousand dollars of total assets for the indicated bands. Base rates provide for Defense Expenses Within Limits of \$1,000,000 each claim / \$1,000,000 for all claims with a \$25,000 damages and defense expenses retention applied to each claim.

Total Assets		Rate per \$1,000 of Total Assets
First	5,000,000	\$1,170 flat rate
Next	5,000,000	\$0.0484
Next	5,000,000	\$0.0310
Next	10,000,000	\$0.0217
Next	25,000,000	\$0.0119
Next	25,000,000	\$0.0070
Next	25,000,000	\$0.0056
Next	50,000,000	\$0.0040
Next	50,000,000	\$0.0031
Next	100,000,000	\$0.0027
Next	100,000,000	\$0.0025
Next	100,000,000	\$0.0022
Next	250,000,000	\$0.0021
Next	250,000,000	\$0.0019
Next	500,000,000	\$0.0018
Next	500,000,000	\$0.0017
Next	1,000,000,000	\$0.0016
Next	1,000,000,000	\$0.0015
Next	1,000,000,000	\$0.0014
Next	2,500,000,000	\$0.0010
Next	2,500,000,000	\$0.0010
Next	5,000,000,000	\$0.0010
Next	5,000,000,000	\$0.0007
Next	5,000,000,000	\$0.0006
Next	5,000,000,000	\$0.0004
Next	10,000,000,000	\$0.0003
Next	10,000,000,000	\$0.0003
Next	25,000,000,000	\$0.0003
Next	25,000,000,000	\$0.0003
Next	50,000,000,000	\$0.0003
Next	50,000,000,000	\$0.0002
Next	100,000,000,000	\$0.0002
Next	100,000,000,000	\$0.0002
Next	100,000,000,000	\$0.0002
Above	500,000,000,000	\$0.0002

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FINANCIAL INSTITUTIONS - ASSET MANAGERS RATE SCHEDULE

The table below indicates a flat rate for the first \$250,000,000 in total assets under management and a charge per million dollars of total assets under management for the indicated bands. Base rates provide for Defense Expenses Within Limits of \$1,000,000 each claim / \$1,000,000 for all claims with a \$25,000 damages and defense expenses retention applied to each claim.

Total Assets Under Management		Rate per \$1,000,000 of Total Assets Under Management
First	250,000,000	\$750 flat rate
Next	250,000,000	\$1.3907
Next	250,000,000	\$0.7649
Next	500,000,000	\$0.5609
Next	1,250,000,000	\$0.5609
Next	1,250,000,000	\$0.5609
Next	1,250,000,000	\$0.5609
Next	2,500,000,000	\$0.5048
Next	2,500,000,000	\$0.4543
Next	2,500,000,000	\$0.4089
Next	2,500,000,000	\$0.3680
Next	5,000,000,000	\$0.3312
Next	5,000,000,000	\$0.2981
Next	12,500,000,000	\$0.2087
Next	12,500,000,000	\$0.1920
Next	25,000,000,000	\$0.1771
Next	25,000,000,000	\$0.1623
Next	50,000,000,000	\$0.1428
Next	50,000,000,000	\$0.1261
Next	50,000,000,000	\$0.1104
Next	125,000,000,000	\$0.0974
Next	125,000,000,000	\$0.0853
Next	250,000,000,000	\$0.0751
Next	250,000,000,000	\$0.0668
Next	250,000,000,000	\$0.0584
Next	250,000,000,000	\$0.0510
Next	500,000,000,000	\$0.0454
Next	500,000,000,000	\$0.0399
Next	1,250,000,000,000	\$0.0352
Next	1,250,000,000,000	\$0.0306
Next	2,500,000,000,000	\$0.0269
Next	2,500,000,000,000	\$0.0241
Above	10,000,000,000,000	\$0.0213

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HEALTH INSURANCE COMPANIES AND DATA AGGREGATORS RATE SCHEDULE

The table below indicates a flat rate for the first \$5,000,000 in annual revenue and a charge per thousand dollars of revenue for the indicated bands. Base rates provide for Defense Expenses Within Limits of \$1,000,000 each claim / \$1,000,000 for all claims with a \$25,000 damages and defense expenses retention applied to each claim.

Annual Revenue		Rate per \$1,000 of Revenue
First	5,000,000	\$3,000 flat rate
Next	5,000,000	\$0.0607
Next	15,000,000	\$0.0444
Next	25,000,000	\$0.0225
Next	25,000,000	\$0.0180
Next	25,000,000	\$0.0158
Next	50,000,000	\$0.0112
Next	50,000,000	\$0.0109
Next	50,000,000	\$0.0085
Next	250,000,000	\$0.0085
Next	250,000,000	\$0.0085
Next	250,000,000	\$0.0085
Next	500,000,000	\$0.0064
Next	500,000,000	\$0.0059
Next	1,000,000,000	\$0.0041
Next	1,000,000,000	\$0.0036
Next	1,000,000,000	\$0.0032
Next	2,500,000,000	\$0.0019
Next	2,500,000,000	\$0.0016
Next	5,000,000,000	\$0.0014
Next	10,000,000,000	\$0.0011
Next	25,000,000,000	\$0.0003
Next	50,000,000,000	\$0.0003
Above	100,000,000,000	\$0.0002

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INSURING AGREEMENT MODIFIER - NON-BUSINESS INTERRUPTION

Apply the appropriate factor below for the insuring agreement that is being priced.

Insuring Agreement	Modification Range
Privacy and Security	0.60 - 1.00
Payment Card Costs	0.01 - 0.10
Media	0.15 - 0.55
Regulatory Proceedings	0.05 - 0.25
Privacy Breach Notification	0.05 - 0.45
Computer and Legal Experts	0.20 - 0.60
Betterment	0.30 - 0.70
Cyber Extortion	0.10 - 0.30
Data Restoration	0.01 - 0.05
Public Relations	0.01 - 0.05
Computer Fraud	0.05 - 0.15
Funds Transfer Fraud	0.05 - 0.15
Social Engineering Fraud	0.20 - 0.50
Telecom Fraud	0.01 - 0.10
Reputation Harm	0.05 - 0.25

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INSURING AGREEMENT MODIFIER - BUSINESS INTERRUPTION

Apply the appropriate factor below for the insuring agreement that is being priced.

Insuring Agreement	Modification Range
Business Interruption	0.10 - 0.30
Dependent Business Interruption	0.05 - 0.25
System Failure	0.10 - 0.30
Accounting Costs	0.01 - 0.05

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INCREASED LIMIT FACTORS - NON-BUSINESS INTERRUPTION

Determine the increased limit and retention premium by applying the calculated factor below to the basic premium.

Calculation:

Total limit = limit + retention

Final Factor = factor (total limit) - factor (retention)

Total Limit or Retention Amount	Factor
0	-0.300
5,000	-0.200
10,000	-0.120
15,000	-0.080
20,000	-0.040
25,000	0.000
30,000	0.025
35,000	0.050
50,000	0.110
75,000	0.155
100,000	0.200
125,000	0.240
150,000	0.275
200,000	0.340
250,000	0.400
500,000	0.630
750,000	0.825
1,000,000	1.000
2,000,000	1.550
3,000,000	1.950
4,000,000	2.300
5,000,000	2.540

Total Limit or Retention Amount	Factor
6,000,000	2.770
7,000,000	3.000
8,000,000	3.220
9,000,000	3.425
10,000,000	3.615
11,000,000	3.790
12,000,000	3.950
13,000,000	4.100
14,000,000	4.240
15,000,000	4.370
16,000,000	4.490
17,000,000	4.600
18,000,000	4.708
19,000,000	4.813
20,000,000	4.917
21,000,000	5.018
22,000,000	5.118
23,000,000	5.215
24,000,000	5.311
25,000,000	5.404
26,000,000	5.496
27,000,000	5.586

Total Limit or Retention Amount	Factor
28,000,000	5.674
29,000,000	5.760
30,000,000	5.845
31,000,000	5.928
32,000,000	6.009
33,000,000	6.089
34,000,000	6.167
35,000,000	6.243
36,000,000	6.318
37,000,000	6.392
38,000,000	6.464
39,000,000	6.534
40,000,000	6.603
41,000,000	6.671
42,000,000	6.737
43,000,000	6.802
44,000,000	6.866
45,000,000	6.929
46,000,000	6.990
47,000,000	7.050
48,000,000	7.109
49,000,000	7.166
50,000,000	7.223

To determine factors for total limit or retention amounts greater than \$50,000,000 use the following formula:

$$1.389 * ((\text{total limit or retention})/1,000,000) ^ (0.4222)$$

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INCREASED LIMIT FACTORS - BUSINESS INTERRUPTION

Determine the increased limit premium by applying the appropriate factor below to the basic premium.

Limit	Factor
0	0.000
5,000	0.100
10,000	0.180
15,000	0.220
20,000	0.260
25,000	0.300
30,000	0.325
35,000	0.350
50,000	0.410
75,000	0.455
100,000	0.500
125,000	0.540
150,000	0.575
200,000	0.640
250,000	0.700
500,000	0.930
750,000	1.125
1,000,000	1.300
2,000,000	1.850
3,000,000	2.250
4,000,000	2.600
5,000,000	2.840

Limit	Factor
6,000,000	3.070
7,000,000	3.300
8,000,000	3.520
9,000,000	3.725
10,000,000	3.915
11,000,000	4.090
12,000,000	4.250
13,000,000	4.400
14,000,000	4.540
15,000,000	4.670
16,000,000	4.790
17,000,000	4.900
18,000,000	5.008
19,000,000	5.113
20,000,000	5.217
21,000,000	5.318
22,000,000	5.418
23,000,000	5.515
24,000,000	5.611
25,000,000	5.704
26,000,000	5.796
27,000,000	5.886

Limit	Factor
28,000,000	5.974
29,000,000	6.060
30,000,000	6.145
31,000,000	6.228
32,000,000	6.309
33,000,000	6.389
34,000,000	6.467
35,000,000	6.543
36,000,000	6.618
37,000,000	6.692
38,000,000	6.764
39,000,000	6.834
40,000,000	6.903
41,000,000	6.971
42,000,000	7.037
43,000,000	7.102
44,000,000	7.166
45,000,000	7.229
46,000,000	7.290
47,000,000	7.350
48,000,000	7.409
49,000,000	7.466
50,000,000	7.523

To determine factors for limits greater than \$50,000,000 use the following formula:

$$1.389 * ((\text{limit}/1,000,000) ^ (0.4222)) - (-0.300)$$

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RETENTION FACTORS - BUSINESS INTERRUPTION

Multiply premium by the applicable retention factor from the following table.

Wait Period Hours	Factor
0	1.80
6	1.05
8	1.00
12	0.90
24	0.85
48	0.80
72	0.75
168+	0.70

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PERIOD OF RESTORATION FACTOR - BUSINESS INTERRUPTION

Multiply premium by the applicable factor from the following table.

Period of Restoration Days	Factor
0-30	0.95
60	0.97
90	0.98
120	0.99
180	1.00
240	1.01
300	1.02
365 or more	1.03

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PERIOD OF INDEMNITY FACTOR - REPUTATION HARM INSURING AGREEMENT

Multiply premium by the applicable factor from the following table.

Period of Indemnity Days	Factor
0-15	0.98
30	1.00
45	1.02
60	1.04
90	1.06
180	1.08
270	1.09
365 or more	1.10

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CLAIMS-MADE MODIFIER

Modify the base rate for the selected amount of Prior Acts coverage.

Years-in Claims-Made	Modification Factor
0	0.85
1	0.90
2	0.95
greater or equal to 3 (includes policies with no retro date)	1.00

Years-in Claims-Made: policy inception date - retro date. Interpolation does not apply.

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PUBLIC, PRIVATE and NON-PROFIT CLASS OF BUSINESS FACTORS

Apply the following factors to the annual premium.

Class of Business	Non-Business Interruption Modification Range	Business Interruption Modification Range
Agriculture, Livestock, and Forestry	0.60 - 1.00	0.80 - 1.20
Auto and Recreational Vehicle Dealers	0.40 - 0.80	0.40 - 0.80
BioTechnology / Life Sciences	1.00 - 1.40	0.80 - 1.20
Business and Consulting Services	0.70 - 1.10	0.80 - 1.20
Construction	0.50 - 0.90	0.80 - 1.20
Data Aggregators	0.80 - 1.20	0.80 - 1.20
Educational Institutions	1.00 - 1.40	0.60 - 1.00
Energy & Mining	0.70 - 1.10	1.00 - 1.40
Entertainment, Leisure, and Sports	0.65 - 1.05	0.80 - 1.20
Gaming / Gambling	1.00 - 1.40	1.20 - 1.60
Governmental Related	1.00 - 1.40	0.80 - 1.20
Healthcare	1.10 - 1.50	1.10 - 1.50
Homeowner / Condo Association	0.60 - 1.00	0.60 - 1.00
Hotel, Hospitality, and Restaurants	1.00 - 1.40	1.00 - 1.40
Insurance Agents	0.80 - 1.20	0.80 - 1.20
Lawyers, Accountants, Architects, and Engineers	0.80 - 1.20	0.80 - 1.20
Manufacturing	0.50 - 0.90	1.00 - 1.40
Media, Printing & Publishing	0.70 - 1.10	1.00 - 1.40
Non-Profits, Foundations, and Membership Organizations	0.70 - 1.10	0.50 - 0.90
Other or Diversified Non - Financial Institutions	0.80 - 1.20	0.80 - 1.20
Retail	1.00 - 1.40	1.00 - 1.40
Technology	1.00 - 1.40	1.00 - 1.40
Telecommunications	1.00 - 1.40	1.00 - 1.40
Transportation	0.70 - 1.10	1.00 - 1.40
Utilities	1.00 - 1.40	1.20 - 1.60
Wholesalers and Distributors	0.55 - 0.95	1.00 - 1.40

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FINANCIAL INSTITUTIONS CLASS OF BUSINESS FACTORS

Apply the following factors to the annual premium.

Class of Business	Non-Business Interruption Modification Range	Business Interruption Modification Range
Bank	0.65 - 1.05	0.65 - 1.05
Broker / Dealer	1.00 - 1.40	0.90 - 1.30
Commodities Broker	0.90 - 1.30	0.90 - 1.30
Community Development Corporation	0.70 - 1.10	0.70 - 1.10
Credit Union	0.70 - 1.10	0.70 - 1.10
Data Aggregators	0.80 - 1.20	0.80 - 1.20
Federal Credit Agencies	0.70 - 1.10	0.70 - 1.10
Financial Association	0.70 - 1.10	0.70 - 1.10
Health Insurance Company	1.10 - 1.50	0.70 - 1.10
Hedge Fund	0.65 - 1.05	0.65 - 1.05
Housing or Finance Authority	0.70 - 1.10	0.70 - 1.10
Investment Adviser	0.80 - 1.20	0.80 - 1.20
Life Insurance Company	0.95 - 1.35	0.95 - 1.35
Mortgage Banker	0.90 - 1.30	0.90 - 1.30
Mutual Fund	0.80 - 1.20	0.90 - 1.30
Other Diversified Financial Institution	0.80 - 1.20	0.80 - 1.20
Other Financial Institution	0.80 - 1.20	0.80 - 1.20
P&C Insurance Company	0.85 - 1.25	0.85 - 1.25
Personal Credit Institution including Student Lender	1.00 - 1.40	0.80 - 1.20
Private Equity	0.80 - 1.20	0.80 - 1.20
Real Estate Fund	0.90 - 1.30	0.80 - 1.20
Securities / Commodities Exchanges	1.00 - 1.40	1.00 - 1.40

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CYBER HYGIENE MODIFICATION FACTOR

Description	Modification Range
<u>Multiple Concerns</u> Two or more concerns in the following categories: Overall Cyber Hygiene, Patching Cadence, Botnet Infection Protocols	1.05 - 1.55
<u>Isolated Concerns</u> One concern in the following categories: Overall Cyber Hygiene, Patching Cadence, Botnet Infection Protocols	1.00 - 1.30
<u>Average</u> Average to Good controls such as good overall cyber hygiene, Patching Cadence, and/or Botnet Infection Protocols	0.85 - 1.15
<u>Above Average</u> Strong cyber controls such as excellent overall cyber hygiene, Strong Patching Cadence, and/or Strong Botnet Infection Protocols	0.70 - 1.00
<u>Not Available or Applicable</u>	1.00

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EXPERIENCE MODIFICATION FACTOR

Based on cyber claim experience in the past 3 years, select the applicable factor.

Cyber Claim Experience	Modification Range
None / Minimal Incurred losses less than or equal to \$100,000 in the past 3 years	0.90 - 1.10
Material Incurred losses greater than \$100,000 and less than or equal to \$250,000 in the past 3 years	1.00 - 1.30
Major Incurred losses greater than \$250,000 in the past 3 years	1.00 - 1.60

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SCHEDULE RATING PLAN

An individual account's exposures may deviate from the actuarially determined average risk. Such deviations will be recognized by modifying the final developed premium as follows:

Characteristics	Modification Range	
	Credit	Debit
Business Continuity / Disaster Recovery	25%	25%
Complexity of Business	25%	25%
Content Liability Controls	25%	25%
Financial Performance	25%	25%
Incident Response Plan	25%	25%
Network Security Controls	25%	25%
Operational Risk Relative to Industry	25%	25%
Privacy Controls	25%	25%
Quality of Management	25%	25%
Unusual or Unique Exposure	25%	25%

The maximum credit / debit is +/- 40%.

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If a Betterment Coparticipation Percent is shown in the CyberRisk Declarations, such percentage of Betterment Costs will be paid by the insured. If a Betterment Coparticipation Percent is shown, the Betterment Coparticipation Modification Factor will be applied to the Betterment insuring agreement premium.

$$\text{Betterment Coparticipation Modification Factor} = 1 - (0.90) * (\text{Betterment Coparticipation Percent})$$

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PER IMPACTED PARTIES AND COMPUTER AND LEGAL EXPERT COSTS ENDORSEMENT

PRIVACY BREACH NOTIFICATION - PER IMPACTED PARTIES BASIS

For this coverage, begin with the base premium with all factors applied with the exception of (1) the Increased Limit Factor and (2) the Insuring Agreement Factor.

Multiply this premium by the appropriate Privacy Breach Notification - Per Impacted Parties Basis percent below.

Maximum Number of Impacted Parties	Modifier
Up to 250,000	20.0% - 40.0%
500,000	40.0% - 60.0%
1,000,000	60.0% - 80.0%
2,000,000	80.0% - 100.0%
Over 2M	100.0% - 150.0%

COMPUTER AND LEGAL EXPERTS COSTS

For this coverage, begin with the base premium with all factors applied with the exception of (1) the Increased Limit Factor and (2) the Insuring Agreement Factor.

Multiply this premium by the following:

- (1) An Increased Limit Factor based on the Computer and Legal Experts Costs Limit and Retention, using the Increased Limit Factors - Non-Business Interruption table in this rate manual, and
- (2) The Computer and Legal Experts Costs percent below.

Modifier
25% - 65%

The Aggregate Limit Factor does not apply to this endorsement.

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EMPLOYED LAWYERS ENDORSEMENT

For this coverage, charge the additional base premium below for the covered lawyers.

Number of Attorneys	Rate Per Attorney
1-3	\$1,440.00
4-5	\$480.00
6-10	\$330.00
11-15	\$240.00
16-20	\$195.00
21-30	\$160.00
30+	\$120.00

Multiply this base premium by the following:

- (1) An Increased Limit Factor based on the Employed Lawyers Limit and Retention, using the Increased Limit Factor - Non-Business Interruption table in this rate manual, and
- (2) The Claims-Made Modifier in this manual, and
- (3) If applicable, the Coinsurance Modification Factor in this rate manual, and
- (4) The Aggregate Limit Factor in this rate manual.

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EMPLOYED LAWYERS WITH MOONLIGHTING ENDORSEMENT

For this coverage, charge the additional base premium below for the covered lawyers.

Number of Attorneys	Rate Per Attorney
1-3	\$2,160.00
4-5	\$720.00
6-10	\$495.00
11-15	\$360.00
16-20	\$292.50
21-30	\$240.00
30+	\$180.00

Multiply this base premium by the following:

- (1) An Increased Limit Factor based on the Employed Lawyers with Moonlighting Limit and Retention, using the Increased Limit Factor - Non-Business Interruption table in this rate manual, and
- (2) The Claims-Made Modifier in this manual, and
- (3) If applicable, the Coinsurance Modification Factor in this rate manual, and
- (4) The Aggregate Limit Factor in this rate manual.

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CONVICTION REWARD ENDORSEMENT

For this coverage, begin with the base premium with all factors applied with the exception of (1) the Increased Limit Factor and (2) the Insuring Agreement Factor.

Multiply this premium by the following:

- (1) An Increased Limit Factor based on the Conviction Reward Limit and Retention, using the Increased Limit Factors - Non-Business Interruption table in this rate manual, and
- (2) The Conviction Reward percent below.

Modifier
0% - 5%

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EMERGENCY COSTS ENDORSEMENT

For this coverage, begin with the base premium with all factors applied with the exception of (1) the Increased Limit Factor and (2) the Insuring Agreement Factor.

Multiply this premium by the following:

- (1) For the purpose of rating, the Emergency Costs Retention will be the maximum of the Computer and Legal Experts Retention, Cyber Extortion Retention, and the Privacy Breach Notification Retention. An Increased Limit Factor based on the Emergency Costs Limit and Retention, using the Increased Limit Factors - Non-Business Interruption table in this rate manual, and
- (2) The Emergency Costs percent below.

Modifier
0% - 5%

Manual Rates
Cyber
Texas

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CONVERT BUSINESS INTERRUPTION WAIT PERIOD TO THRESHOLD ENDORSEMENT

Multiply the business interruption premium by the applicable Conversion Factor from the following table based on the selected retention when the Convert Business Interruption Wait Period to Threshold endorsement is attached to the policy. If the Convert Business Interruption Wait Period to Threshold endorsement is not attached the factor is 1.00.

Business Interruption Retention	Factor
0	1.20
5,000	1.18
10,000	1.16
15,000	1.14
20,000	1.12
25,000	1.10
30,000	1.08
35,000	1.06
50,000 or more	1.00

Manual Rates
Cyber
Texas

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DEPENDENT BUSINESS INTERRUPTION - SYSTEM FAILURE ENDORSEMENT

For this coverage, begin with the base premium with all factors applied with the exception of (1) the Increased Limit Factor and (2) the Insuring Agreement Factor.

Multiply this premium by the following:

- (1) An Increased Limit Factor based on the Dependent Business Interruption - System Failure Limit, using the Increased Limit Factors - Business Interruption table in this rate manual, and
- (2) A Retention Factor based on the Wait Period Hours using the Retention Factors - Business Interruption table in this rate manual, and
- (3) A Restoration Factor based on the Period of Restoration Days using the Period of Restoration Factor - Business Interruption table in this rate manual, and
- (4) If applicable, a Conversion Factor based on the Convert Business Interruption Wait Period to Threshold Endorsement, and
- (5) The Dependent Business Interruption - System Failure percent below.

Modifier
5% - 25%

Manual Rates
Cyber
Texas

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DEPENDENT BUSINESS INTERRUPTION - OUTSOURCE PROVIDER ENDORSEMENT

For this coverage, begin with the base premium with all factors applied with the exception of (1) the Increased Limit Factor and (2) the Insuring Agreement Factor.

Multiply this premium by the following:

- (1) An Increased Limit Factor based on the Dependent Business Interruption - Outsource Provider Limit, using the Increased Limit Factors - Business Interruption table in this rate manual, and
- (2) A Retention Factor based on the Wait Period Hours using the Retention Factors - Business Interruption table in this rate manual, and
- (3) A Restoration Factor based on the Period of Restoration Days using the Period of Restoration Factor - Business Interruption table in this rate manual, and
- (4) If applicable, a Conversion Factor based on the Convert Business Interruption Wait Period to Threshold Endorsement, and
- (5) The Dependent Business Interruption - Outsource Provider percent below.

Modifier
1% - 15%

Manual Rates
Cyber
Texas

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**DEPENDENT BUSINESS INTERRUPTION - OUTSOURCE PROVIDER - SYSTEM FAILURE
ENDORSEMENT**

For this coverage, begin with the base premium with all factors applied with the exception of (1) the Increased Limit Factor and (2) the Insuring Agreement Factor.

Multiply this premium by the following:

- (1) An Increased Limit Factor based on the Dependent Business Interruption - Outsource Provider - System Failure Limit using the Increased Limit Factors - Business Interruption table in this rate manual, and
- (2) A Retention Factor based on the Wait Period Hours using the Retention Factors - Business Interruption table in this rate manual, and
- (3) A Restoration Factor based on the Period of Restoration Days using the Period of Restoration Factor - Business Interruption table in this rate manual, and
- (4) If applicable, a Conversion Factor based on the Convert Business Interruption Wait Period to Threshold Endorsement, and
- (5) The Dependent Business Interruption - Outsource Provider - System Failure percent below.

Modifier
1% - 15%

Manual Rates

Cyber

Texas

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INFRINGEMENT OF COPYRIGHTED SOFTWARE IN COVERED MATERIAL ENDORSEMENT

For this coverage, begin with the base premium for Media with all factors applied with the exception of (1) the Insuring Agreement Factor.

Multiply this premium by the following:

- (1) The Infringement of Copyrighted Software in Covered Material Endorsement percent below.

Modifier
0% - 25%

Endorsement factors within the range are determined based on above or below average exposure to the coverage relative to other insureds of similar size within the same industry.

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Technology E&O
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EXPOSURE TO LOSS DEFINITIONS

Determine the Technology Errors and Omissions Exposure to Loss Category based on the chart below.

Category	Descriptions
Low	<ul style="list-style-type: none"> - Established company with most products or services in market five or more years. - Consistent revenue growth, strong cash position, low debt load, low burn rate. - Well written contracts (including license agreements), legal review of all contracts, contracts used for all users or customers. - Excellent procedures in place for customer acceptance and customer management, training, and complaint handling. - Excellent written documentation, test plans, quality review and controls; customer involvement with testing and quality review. - Easy to use product, provide service at direction and under control of customer, single use product, established core technology. - Low consequential damage potential.
Medium	<ul style="list-style-type: none"> - Company with most products or services in market 2 or more years, but less than 5 years. - Inconsistent revenue growth, average cash position, average debt load. - Acceptable contracts (including license agreements) with minor deficiencies, acceptable contract controls, legal review and procedures are adequate but may be less formal. - Acceptable procedures in place for customer acceptance, customer management, training, complaint handling. - Adequate documentation, test plans, quality review, controls. - More complex product or service, manage services provided, product or service based on newer technology, medium consequential damage potential.
High	<ul style="list-style-type: none"> - Start-up company to less than 2 years with most current products or services in market, or more mature company that has radically shifted business direction in past 2 years. - High burn rate, high debt load, poor cash position, consistent need for additional funding. - Contracts (including licensing agreements) are deficient, contractual policies or procedures are deficient, legal review process is deficient. - Deficient procedures in place for customer acceptance and customer management, training, complaint handling. - Oversell apparent in marketing of products or services. - Minimal controls or quality review, little or no documentation or testing, lack of customer involvement in testing and quality review. - Complex product or service, product or service based on emerging or cutting-edge technology, significant consequential damage potential, significant cost to defend a claim including class action potential.

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ELECTRONICS MANUFACTURING COMPANIES RATE SCHEDULE

The table below indicates a charge per thousand dollars of revenue for the indicated bands. Base rates provide for Defense Expenses Within Limits of \$1,000,000 each claim / \$1,000,000 for all claims with a \$25,000 damages and defense expenses retention applied to each claim.

Annual Revenue		Exposure to Loss		
		Low	Medium	High
First	50,000	\$0.043 - \$0.236	\$0.237 - \$1.290	\$1.291 - \$7.033
Next	50,000	\$0.043 - \$0.236	\$0.237 - \$1.290	\$1.291 - \$7.033
Next	150,000	\$0.043 - \$0.236	\$0.237 - \$1.290	\$1.291 - \$7.033
Next	250,000	\$0.043 - \$0.236	\$0.237 - \$1.290	\$1.291 - \$7.033
Next	500,000	\$0.043 - \$0.236	\$0.237 - \$1.290	\$1.291 - \$7.033
Next	1,500,000	\$0.043 - \$0.236	\$0.237 - \$1.290	\$1.291 - \$7.033
Next	2,500,000	\$0.043 - \$0.236	\$0.237 - \$1.290	\$1.291 - \$7.033
Next	5,000,000	\$0.043 - \$0.236	\$0.237 - \$1.290	\$1.291 - \$7.033
Next	15,000,000	\$0.043 - \$0.236	\$0.237 - \$1.290	\$1.291 - \$7.033
Next	25,000,000	\$0.043 - \$0.236	\$0.237 - \$1.290	\$1.291 - \$7.033
Next	25,000,000	\$0.043 - \$0.236	\$0.237 - \$1.290	\$1.291 - \$7.033
Next	25,000,000	\$0.043 - \$0.236	\$0.237 - \$1.290	\$1.291 - \$7.033
Next	50,000,000	\$0.043 - \$0.236	\$0.237 - \$1.290	\$1.291 - \$7.033
Next	50,000,000	\$0.043 - \$0.236	\$0.237 - \$1.290	\$1.291 - \$7.033
Next	50,000,000	\$0.043 - \$0.236	\$0.237 - \$1.290	\$1.291 - \$7.033
Next	250,000,000	\$0.043 - \$0.236	\$0.237 - \$1.290	\$1.291 - \$7.033
Next	250,000,000	\$0.043 - \$0.236	\$0.237 - \$1.290	\$1.291 - \$7.033
Next	250,000,000	\$0.043 - \$0.236	\$0.237 - \$1.290	\$1.291 - \$7.033
Next	500,000,000	\$0.043 - \$0.236	\$0.237 - \$1.290	\$1.291 - \$7.033
Next	500,000,000	\$0.043 - \$0.236	\$0.237 - \$1.290	\$1.291 - \$7.033
Next	1,000,000,000	\$0.043 - \$0.236	\$0.237 - \$1.290	\$1.291 - \$7.033
Next	1,000,000,000	\$0.043 - \$0.236	\$0.237 - \$1.290	\$1.291 - \$7.033
Next	1,000,000,000	\$0.043 - \$0.236	\$0.237 - \$1.290	\$1.291 - \$7.033
Next	2,500,000,000	\$0.043 - \$0.236	\$0.237 - \$1.290	\$1.291 - \$7.033
Next	2,500,000,000	\$0.043 - \$0.236	\$0.237 - \$1.290	\$1.291 - \$7.033
Next	5,000,000,000	\$0.043 - \$0.236	\$0.237 - \$1.290	\$1.291 - \$7.033
Next	10,000,000,000	\$0.043 - \$0.236	\$0.237 - \$1.290	\$1.291 - \$7.033
Next	25,000,000,000	\$0.043 - \$0.236	\$0.237 - \$1.290	\$1.291 - \$7.033
Next	50,000,000,000	\$0.043 - \$0.236	\$0.237 - \$1.290	\$1.291 - \$7.033
Above	100,000,000,000	\$0.043 - \$0.236	\$0.237 - \$1.290	\$1.291 - \$7.033

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COMPUTER, SOFTWARE, AND SERVICES COMPANIES RATE SCHEDULE

The table below indicates a charge per thousand dollars of revenue for the indicated bands. Base rates provide for Defense Expenses Within Limits of \$1,000,000 each claim / \$1,000,000 for all claims with a \$25,000 damages and defense expenses retention applied to each claim.

Annual Revenue		Exposure to Loss		
		Low	Medium	High
First	50,000	\$0.270 - \$1.468	\$1.469 - \$7.999	\$8.000 - \$43.556
Next	50,000	\$0.270 - \$1.468	\$1.469 - \$7.999	\$8.000 - \$43.556
Next	150,000	\$0.270 - \$1.468	\$1.469 - \$7.999	\$8.000 - \$43.556
Next	250,000	\$0.270 - \$1.468	\$1.469 - \$7.999	\$8.000 - \$43.556
Next	500,000	\$0.270 - \$1.468	\$1.469 - \$7.999	\$8.000 - \$43.556
Next	1,500,000	\$0.270 - \$1.468	\$1.469 - \$7.999	\$8.000 - \$43.556
Next	2,500,000	\$0.270 - \$1.468	\$1.469 - \$7.999	\$8.000 - \$43.556
Next	5,000,000	\$0.140 - \$0.766	\$0.767 - \$4.181	\$4.182 - \$22.769
Next	15,000,000	\$0.094 - \$0.515	\$0.516 - \$2.811	\$2.812 - \$15.311
Next	25,000,000	\$0.069 - \$0.376	\$0.377 - \$2.057	\$2.058 - \$11.208
Next	25,000,000	\$0.051 - \$0.281	\$0.282 - \$1.539	\$1.540 - \$8.388
Next	25,000,000	\$0.051 - \$0.281	\$0.282 - \$1.539	\$1.540 - \$8.388
Next	50,000,000	\$0.038 - \$0.205	\$0.206 - \$1.122	\$1.123 - \$6.118
Next	50,000,000	\$0.038 - \$0.205	\$0.206 - \$1.122	\$1.123 - \$6.118
Next	50,000,000	\$0.038 - \$0.205	\$0.206 - \$1.122	\$1.123 - \$6.118
Next	250,000,000	\$0.029 - \$0.160	\$0.161 - \$0.878	\$0.879 - \$4.787
Next	250,000,000	\$0.017 - \$0.101	\$0.102 - \$0.557	\$0.558 - \$3.040
Next	250,000,000	\$0.017 - \$0.101	\$0.102 - \$0.557	\$0.558 - \$3.040
Next	500,000,000	\$0.017 - \$0.101	\$0.102 - \$0.557	\$0.558 - \$3.040
Next	500,000,000	\$0.017 - \$0.101	\$0.102 - \$0.557	\$0.558 - \$3.040
Next	1,000,000,000	\$0.017 - \$0.101	\$0.102 - \$0.557	\$0.558 - \$3.040
Next	1,000,000,000	\$0.017 - \$0.101	\$0.102 - \$0.557	\$0.558 - \$3.040
Next	1,000,000,000	\$0.017 - \$0.101	\$0.102 - \$0.557	\$0.558 - \$3.040
Next	2,500,000,000	\$0.017 - \$0.101	\$0.102 - \$0.557	\$0.558 - \$3.040
Next	2,500,000,000	\$0.017 - \$0.101	\$0.102 - \$0.557	\$0.558 - \$3.040
Next	5,000,000,000	\$0.017 - \$0.101	\$0.102 - \$0.557	\$0.558 - \$3.040
Next	10,000,000,000	\$0.017 - \$0.101	\$0.102 - \$0.557	\$0.558 - \$3.040
Next	25,000,000,000	\$0.017 - \$0.101	\$0.102 - \$0.557	\$0.558 - \$3.040
Next	50,000,000,000	\$0.017 - \$0.101	\$0.102 - \$0.557	\$0.558 - \$3.040
Above	100,000,000,000	\$0.017 - \$0.101	\$0.102 - \$0.557	\$0.558 - \$3.040

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INSURING AGREEMENT MODIFIER

Apply the appropriate factor below for the insuring agreement that is being priced.

Insuring Agreement	Modification Factor
Technology Errors and Omissions	1.00

The Technology Errors and Omissions insuring agreement will be exempt from the stabilization rule.

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INCREASED LIMIT FACTORS

Determine the increased limit premium by applying the calculated factor below to the basic premium.

Calculation:

Total limit = limit + retention

Final Factor = factor (total limit)

Total Limit Amount	Factor
0	0.000
25,000	0.064
50,000	0.120
75,000	0.175
100,000	0.230
150,000	0.303
250,000	0.450
500,000	0.690
750,000	0.870
1,000,000	1.000
2,000,000	1.380
3,000,000	1.635
4,000,000	1.831
5,000,000	1.991
6,000,000	2.131
7,000,000	2.251
8,000,000	2.361

Total Limit Amount	Factor
9,000,000	2.461
10,000,000	2.551
11,000,000	2.631
12,000,000	2.711
13,000,000	2.781
14,000,000	2.851
15,000,000	2.921
16,000,000	2.981
17,000,000	3.041
18,000,000	3.101
19,000,000	3.161
20,000,000	3.211
21,000,000	3.261
22,000,000	3.311
23,000,000	3.361
24,000,000	3.411
25,000,000	3.451

To determine factors for total limit amounts greater than \$25,000,000 use the following formula:

$$1.220 * ((\text{total limit})/1,000,000) ^ (0.3230)$$

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RETENTION FACTORS

Determine the increased limit and retention premium by applying the calculated factor below to the increased limit premium.

Calculation:

Final Factor = factor (retention)

Total Retention Amount	Factor
0	1.072
1,000	1.068
2,500	1.062
5,000	1.052
10,000	1.031
15,000	1.021
20,000	1.010
25,000	1.000
30,000	0.990
35,000	0.979
50,000	0.948
75,000	0.907
100,000	0.866
125,000	0.838
150,000	0.811
200,000	0.756
250,000	0.701
500,000	0.546
750,000	0.309
1,000,000	0.196

To determine factors for retention amounts greater than \$1,000,000 use the following formula:

$$0.196 * ((\text{retention})/1,000,000) ^ (-0.6993)$$

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CLAIMS-MADE MODIFIER

Modify the base rate for the selected amount of Prior Acts coverage.

Years-in Claims-Made	Modification Factor
0	0.85
1	0.90
2	0.95
greater or equal to 3 (includes policies with no retro date)	1.00

Years-in Claims-Made: policy inception date - retro date. Interpolation does not apply.

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ELECTRONICS MANUFACTURING COMPANIES CLASS OF BUSINESS FACTORS

Apply the following factors to the annual premium.

Class of Business	Modification Range
Components, Computers and Peripherals	0.050 - 0.450
Telecommunications, Broadcast, Consumer Equipment and Switching Equipment	0.550 - 0.950
Instruments - Lab	0.800 - 1.200
Instruments - Field	3.350 - 4.150
Industrial Electronics	1.700 - 2.500
Medical Technology	2.750 - 3.550

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COMPUTER, SOFTWARE, AND SERVICES COMPANIES CLASS OF BUSINESS FACTORS

Apply the following factors to the annual premium.

Class of Business	Modification Range
Software Development and Programming Services	0.350 - 0.750
Information Technology Facilities Management	0.350 - 0.750
Data Preparation and Processing	0.750 - 1.150
Website Services including Application Service Providers	0.750 - 1.150
Internet Search, Retrieval, and Indexing Services	0.750 - 1.150
Telecommunications Service Providers	0.800 - 1.200
Internet Service Providers	0.800 - 1.200
System Integrators	0.950 - 1.350
Value Added Resellers (VARs)	0.950 - 1.350
Computer Installation, Service, and Repair	0.950 - 1.350
Information Technology Consultants	1.000 - 1.400

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RISK MANAGEMENT MODIFICATION FACTOR

Description	Modification Range
<u>Average</u> Average to good internal controls including: loss prevention programs, employee training and knowledge transfer, risk transfer procedures, management attitude, and/or internal controls.	0.80 - 1.20
<u>Above Average</u> Strong internal controls including: loss prevention programs, employee training and knowledge transfer, risk transfer procedures, management attitude, and/or internal controls.	0.60 - 1.00
<u>Not Available or Applicable</u>	1.00

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EXPERIENCE MODIFICATION FACTOR

Based on technology errors and omissions claim experience in the past 3 years, select the applicable factor.

Technology Errors and Omissions Claim Experience	Modification Range
None / Minimal Incurred losses less than or equal to \$100,000 in the past 3 years	0.90 - 1.10
Material Incurred losses greater than \$100,000 and less than or equal to \$250,000 in the past 3 years	1.00 - 1.30
Major Incurred losses greater than \$250,000 in the past 3 years	1.00 - 1.60

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SCHEDULE RATING PLAN

An individual account's exposures may deviate from the actuarially determined average risk. Such deviations will be recognized by modifying the final developed premium as follows:

Characteristics	Modification Range	
	Credit	Debit
Potential for financial loss	25%	25%
Complexity of product	25%	25%
Number of potential users	25%	25%
Customer's potential for consequential damages	25%	25%
Customer contracts	25%	25%
Product development methodology	25%	25%
Quality control	25%	25%
Customer complaint procedures	25%	25%
Years in business	25%	25%

The maximum credit / debit is +/- 40%.

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MINIMUM PREMIUMS

Minimum Premium applies by limit layer.

Limit	Minimum Premium
	Range
1,000,000	\$500 - \$5,000
2,000,000	\$500 - \$3,500
3,000,000	\$500 - \$3,500
4,000,000	\$500 - \$3,500
5,000,000	\$500 - \$3,500
6,000,000	\$500 - \$3,500
7,000,000	\$500 - \$3,500
8,000,000	\$500 - \$3,500
9,000,000	\$500 - \$3,500
10,000,000	\$500 - \$3,500
11,000,000	\$500 - \$3,500
12,000,000	\$500 - \$3,500
13,000,000	\$500 - \$3,500
14,000,000	\$500 - \$3,500
15,000,000	\$500 - \$3,500
16,000,000	\$500 - \$3,500
17,000,000	\$500 - \$3,500
18,000,000	\$500 - \$3,500
19,000,000	\$500 - \$3,500
20,000,000	\$500 - \$3,500
21,000,000	\$500 - \$3,500
22,000,000	\$500 - \$3,500
23,000,000	\$500 - \$3,500
24,000,000	\$500 - \$3,500
25,000,000	\$500 - \$3,500

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CONTRACT COSTS INCLUDED AS LOSS ENDORSEMENT

For this coverage, begin with the base premium for Tech Errors and Omissions with all factors applied with the exception of (1) the Increased Limit Factor, (2) the Retention Factor, and (3) the Insuring Agreement Factor.

Multiply this premium by the following:

- (1) An Increased Limit Factor based on the Contract Costs Included As Loss Limit and Retention, using the Increased Limit Factors - Technology Errors and Omissions table in this rate manual, and
- (2) A Retention Factor based on the Contract Costs Included As Loss Retention, using the Retention Factors - Technology Errors and Omissions table in this rate manual, and
- (3) The Contract Costs Included As Loss percent below depending on Tech Errors & Omissions Exposure to Loss

Modifier
1% - 25%

Endorsement factors within the range are determined based on above or below average exposure to the coverage relative to other insureds of similar size within the same industry.

The Contract Costs Included As Loss Endorsement will be exempt from the stabilization rule.

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TCPA COSTS ENDORSEMENT

For this coverage, begin with the base premium for Tech Errors and Omissions with all factors applied with the exception of (1) the Increased Limit Factor, (2) the Retention Factor, and (3) the Insuring Agreement Factor.

Multiply this premium by the following:

- (1) An Increased Limit Factor based on the TCPA Costs Limit and Retention, using the Increased Limit Factors - Technology Errors and Omissions table in this rate manual, and
- (2) A Retention Factor based on the TCPA Costs Retention, using the Retention Factors - Technology Errors and Omissions table in this rate manual, and
- (3) The TCPA Costs percent below.

Modifier
5% - 25%

Endorsement factors within the range are determined based on above or below average exposure to the coverage relative to other insureds of similar size within the same industry.

The TCPA Costs Endorsement will be exempt from the stabilization rule.

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EXPENSE MODIFICATION PLAN

Apply expense modifier for the account related expense of underwriting and account handling. Commissions shall not be considered in the calculation of this modifier.

Eligibility:

A risk is eligible for the application of the Expense Modification Plan to the extent that such expense characteristics are not already reflected in the base rates and that any credit or debit developed under this section does not duplicate modification which has been contemplated in any other rating plan or schedule rating modification applied to the same risk.

Rules:

1. Document the individual underwriting file to support the application of the expense modifier.
2. Maximum modification in rates under this plan shall not exceed +/- 15%.
3. The Expense Modification Plan is in addition to any Schedule Rating modifications applicable to the risk provided there is no duplication of credits or debits.

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EXPENSE MODIFICATION PLAN (continued)

Criteria	Modification Range	
	Debit	Credit
Reduced Underwriting Expenses Examples: - Cross-selling The insured purchases multiple Travelers Property Casualty Corporation products thereby reducing the underwriting expense for each policy. - Excess Coverage Purchase of an excess layer of insurance allows the Company to rely on the underwriting of the primary thereby reducing underwriting expenses. - Renewal Policy Previously underwritten accounts with no change in operations, no claim experience	0.0%	15.0%
Increased Underwriting Expenses Examples: - Underwriting intensive account [e.g. any account requiring: 1.) an underwriting visit, 2.) underwriting information beyond the normal requirements; any request for changes to Travelers' standard contract language and endorsements.] - Significant acquisition, merger or divestiture activity by an insured.	15.0%	0.0%
Reduced Company Administrative Expenses Examples: - Use of a renewal certificate in place of a complete policy at renewal; - Blanket versus scheduled coverage; - Other processes which reduce the administrative cost of issuing and supporting a policy.	0.0%	15.0%
Increased Company Administrative Expenses Examples: - Frequent changes to the policy; - Acting as Lead Co-surety/Co-indemnity company on Bond/Policy; - Any process, not contemplated in normal company procedures, which increases the administrative cost of issuing and supporting a policy.	15.0%	0.0%

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COINSURANCE

The Coinsurance Percent shall be equivalent to the percentage of loss which the insured is self-insuring.

$$\text{Coinsurance Modification Factor} = 1 - (0.90) * (\text{Coinsurance Percent})$$

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AGGREGATE LIMIT FACTOR

Apply appropriate aggregate limit factor based on ratio of CyberRisk aggregate limit to the maximum of the Privacy and Security Limit and the Technology E&O limit.

Ratio of CyberRisk Aggregate Limit to the Maximum of the Privacy and Security Limit and the Technology E&O Limit	Privacy and Security Limit		
	\$1M or Less	Greater than \$1M but less than or Equal to \$5M	Over \$5M
1	1.00	1.00	1.00
1.5	1.11	1.08	1.07
2	1.18	1.14	1.12
2.5	1.22	1.17	1.14
3	1.24	1.18	1.15
4	1.25	1.19	1.15
5	1.26	1.21	1.15
10	1.30	1.21	1.15
20	1.32	1.21	1.15
30	1.33	1.21	1.15
50 or more	1.34	1.21	1.15

This factor applies to all insuring agreements and endorsements subject to the aggregate limit.

Manual Rates
Cyber And Technology E&O
Texas
Filing Number: 2019-12-0046

LOSS MITIGATION COSTS ENDORSEMENT

Modifier
5% - 25%

The Loss Mitigation Costs Endorsement will be exempt from the stabilization rule.