

# BCS Insurance Company

## Cyber and Privacy Liability Insurance Program

### Rate Manual

#### 1. Industry Assignment/Rateable Revenue Factor/Revenue Rating Basis

In order to rate each ~~insured~~, Applicant the Industry Group Placement, Rateable Revenue Factor, and Revenue Rating Basis based on the Industry of the risk must first be determined according to the table below.

For industries not specifically listed, assign to the industry that most closely matches the risk being rated.

Industry	Industry Group	Rateable Revenue Factor	Revenue Rating Basis
Auto Dealership	3	0.30	Total Sales
Automotive Services	3	0.30	Total Sales
Charities / Not For Profit	2	0.35	Gross Revenue
Construction - Commercial, Residential	1	0.20	Gross Revenue
Daycare / Child Services	2	0.50	Gross Revenue
Domestic Services (e.g. plumbers, electricians, tree surgeons, gardeners, cleaners)	1	<del>1.00</del> 0.75	Gross Revenue
E-commerce	3	1.00	Total Sales
Education - Colleges / Universities / Higher Education	<del>3</del> 2	1.00	Gross Revenue
Education - Pre-K through High School	2	0.50	Gross Revenue
Farm Equipment / Tractor Supply - Retail and Wholesale	3	0.30	Total Sales
Financial Institution - Community, State, Credit Union	1	1.00	Total Interest Income
Financial Institution - National	2	1.00	Total Interest Income
Gas Station	<del>3</del> 2	0.75	Total Sales
Government	2	0.35	Operating Expenditure
Healthcare / Medical	<del>3</del> 2	1.00	Net Patient Revenue
Hotels / Hospitality	<del>3</del> 2	0.80	Gross Revenue
Insurance Broker / Agent - Commercial Lines	2	1.00	Gross Revenue
Insurance Broker / Agent - Personal Lines	3	1.00	Gross Revenue
Insurance Company - Commercial Lines	2	1.00	Gross Revenue
Insurance Company - Personal Lines	3	1.00	Gross Revenue
Investment Advisor / Accountant / Mortgage Broker / Financial Planner	2	1.00	Gross Fees
Legal Services – Commercial	2	1.00	Gross Fees
Legal Services – Consumer	3	<del>1.00</del> 0.9	Gross Fees
Manufacturing	1	0.20	Gross Revenue
Cargo / Shipping / Logistics	1	0.20	Gross Revenue

# BCS Insurance Company

## Cyber and Privacy Liability Insurance Program

### Rate Manual

Pharmacy	3	1.00	Gross Revenue
Professional Services (excluding Legal Services)	1	<del>0.80</del> 60	Gross Revenue
Realtor - Commercial / Residential	3	0.30	Gross Revenue
Restaurant	<del>3</del> 2	0.75	Total Sales
Retail	<del>3</del> 2	0.75	Total Sales
Sports Clubs / Gyms	2	1.00	Gross Revenue
Telecommunications	<del>3</del> 2	1.00	Gross Revenue
<u>Title Agents</u>	<u>2</u>	<u>1.00</u>	<u>Gross Revenue</u>
Utility	2	0.35	Gross Revenue
Wholesale Sales / Distribution	3	<del>0.75</del> 20	Total Sales

### 2. Determination of Rateable Revenue Rating Basis

Determine the applicable Revenue Rating Basis for the Industry based on the table from Rule 1 above. Take this figure and multiply it by the applicable Rateable Revenue Factor based on the table from Rule 1 above. The result is the Rateable Revenue for use in rating.

### 3. Base Premium and Deductible

Determine the base premium by looking up the premium associated with the Rateable Revenue in the table below. For Rateable Revenue amounts not shown, use linear interpolation to determine the base premium. For Rateable Revenues more than the highest amount shown in the table below, take the ratio of the Rateable Revenue amount to \$250,000,001 and apply that figure to \$~~35,000~~33,212.

Rateable Revenue	Base Premium
1	500
1,000,001	1,500
5,000,001	2,750
10,000,001	5,000
20,000,001	7,500
35,000,001	12,500
50,000,001	<del>20,000</del> 15,433
75,000,001	<del>25,000</del> 18,729
100,000,001	<del>30,000</del> 21,476
250,000,001	<del>35,000</del> 33,212

## BCS Insurance Company

### Cyber and Privacy Liability Insurance Program

#### Rate Manual

The applicable retention is determined based on the Rateable Revenue for the risk and as reflected in the table below.

Rateable Revenue			Retention
1	-	1,000,000	2,500
1,000,001	-	5,000,000	2,500
5,000,001	-	10,000,000	5,000
10,000,001	-	20,000,000	10,000
20,000,001	-	35,000,000	15,000
35,000,001	-	50,000,000	25,000
50,000,001	-	75,000,000	50,000
75,000,001	-	100,000,000	50,000
100,000,001	-	250,000,000	75,000
250,000,001	-	500,000,000	<del>150,000</del> 100,000

#### 4. State Factor

The base premium is multiplied by the state relativity factor found in the state exception pages.

#### 5. Industry Group Factor

The base premium is further adjusted by the applicable Industry Group Factor below based on the risk's placement from Rule 1.

Industry Group	Factor
1	0.90
2	1.00
3	1.25

## BCS Insurance Company

### Cyber and Privacy Liability Insurance Program

#### Rate Manual

#### 6. ILFs

The base premium is further adjusted by the applicable Increased Limits Factor below based on the risk's selected aggregate limit. For limits not shown, use linear interpolation to determine the ILF.

Aggregate Limit USD	ILF
25,000	0.33
50,000	0.41
75,000	0.46
100,000	0.50
150,000	0.57
250,000	0.66
500,000	0.81
1,000,000	1.00
2,000,000	1.30
3,000,000	1.50
5,000,000	1.85
10,000,000	2.50

#### 7. Business Interruption Coverage

If Business Interruption Coverage is applicable, the waiting period and the additional charge are determined based on the risk's industry and as reflected in the table below.

Industry	Waiting Period	Business Interruption Charge
Auto Dealership	10 hrs	10.0%
Automotive Services	10 hrs	10.0%
Charities / Not For Profit	8 hrs	5.0%
Construction - Commercial, Residential	8 hrs	5.0%
Daycare / Child Services	8 hrs	5.0%
Domestic Services (e.g. plumbers, electricians, tree surgeons, gardeners, cleaners)	8 hrs	5.0%
E-commerce	24 hrs	50.0%
Education - Colleges / Universities / Higher Education	8 hrs	5.0%
Education - Pre-K through High School	8 hrs	5.0%

# BCS Insurance Company

## Cyber and Privacy Liability Insurance Program

### Rate Manual

Farm Equipment / Tractor Supply - Retail and Wholesale	10 hrs	10.0%
Financial Institution - Community, State, Credit Union	10 hrs	10.0%
Financial Institution - National	12 hrs	25.0%
Gas Station	10 hrs	10.0%
Government	12 hrs	25.0%
Healthcare / Medical	8 hrs	5.0%
Hotels / Hospitality	12 hrs	25.0%
Insurance Broker / Agent - Commercial Lines	12 hrs	25.0%
Insurance Broker / Agent - Personal Lines	8 hrs	5.0%
Insurance Company - Commercial Lines	12 hrs	25.0%
Insurance Company - Personal Lines	8 hrs	5.0%
Investment Advisor / Accountant / Mortgage Broker / Financial Planner	10 hrs	10.0%
Legal Services - Commercial	10 hrs	10.0%
Legal Services - Consumer	8 hrs	5.0%
Manufacturing	8 hrs	5.0%
Cargo / Shipping / Logistics	8 hrs	5.0%
Pharmacy	8 hrs	5.0%
Professional Services (excluding Legal Services)	12 hrs	25.0%
Realtor - Commercial / Residential	10 hrs	10.0%
Restaurant	10 hrs	10.0%
Retail	24 hrs	50.0%
Sports Clubs / Gyms	8 hrs	5.0%
Telecommunications	24 hrs	50.0%
<u>Title Agents</u>	<u>12hrs</u>	<u>25.0%</u>
Utility	10 hrs	10.0%
Wholesale Sales / Distribution	<del>12</del> 8 hrs	<del>25</del> 5.0%

## BCS Insurance Company

### Cyber and Privacy Liability Insurance Program

#### Rate Manual

#### 8. Retroactive Date Factor

The Premium developed above includes Prior Acts Coverage. If a Retroactive Date is used a Retroactive Date Modifier applies. Select the applicable factor based on the table below. The final premium is rounded to the nearest dollar after the application of this factor.

Retro Period	Factor
Less than 1 year	0.90
1 year +	1.00

#### 9. Minimum Premium

If the premium calculated in Rules 1 through 8 above is less than the minimum premium reflected below for the aggregate limit selected, the minimum premium applies. For limits not shown, use linear interpolation to determine the minimum premium.

Aggregate Limit USD	Minimum Premium
25,000	200
50,000	225
75,000	250
100,000	300
150,000	350
250,000	400
500,000	500
1,000,000	750
2,000,000	1,000
3,000,000	<del>7,500</del> 1,250
5,000,000	<del>12</del> 2,500
10,000,000	<del>50</del> 5,000

# BCS Insurance Company

## Cyber and Privacy Liability Insurance Program

### Rate Manual

#### 10. Optional Endorsements

##### a. Changes Endorsement

Used to document and issue all mid-term policy transactions including additional insureds and other coverages with or without attached endorsements.

[Attach endorsement 94.501](#)

##### b. Additional Named Insured-Designated Person(s) or Organization

Provides a schedule for including other insureds and subsidiary organizations as additional named insureds/organizations.

[Attach endorsement 94.502](#)

##### c. Optional Extended Reporting Period

In the event of cancellation or nonrenewal ~~a 12-month~~[an](#) Extended Reporting Period endorsement may be purchased for ~~an additional~~ charge ~~of 100% of the current annual premium shown in the policy.~~ [as follows:](#)

<a href="#">Extended Reporting Period</a>	<a href="#">Extended Reporting Period Premium</a>
<a href="#">12 Months</a>	<a href="#">100% of the Annual Policy Premium</a>
<a href="#">24 Months</a>	<a href="#">150% of the Annual Policy Premium</a>
<a href="#">36 Months</a>	<a href="#">200% of the Annual Policy Premium</a>
<a href="#">48 Months</a>	<a href="#">230% of the Annual Policy Premium</a>
<a href="#">60 Months</a>	<a href="#">250% of the Annual Policy Premium</a>
<a href="#">72 Months</a>	<a href="#">280% of the Annual Policy Premium</a>

[Attach endorsement 94.503](#)

## BCS Insurance Company

### Cyber and Privacy Liability Insurance Program

#### Rate Manual

**d. Unencrypted Portable Media Device Exclusion-~~Endorsement~~**

If the Applicant does NOT represent a Healthcare organization, Financial Institution, or Legal Services this endorsement will not be used.

However, if the Applicant represents a Healthcare organization, Financial Institution, or Legal Services and personally identifiable information is stored on laptop computers and portable media and is not protected by encryption, this endorsement must be attached.

Attach endorsement 94.504

**e. Reserved For State Specific Changes**

**f. Cyber Deception Coverage**

When the Applicant selects coverage for Cyber Deception the following pricing is applied:

If the Applicant selects a \$100,000 limit of indemnity then pricing is 5% of the result of the rating after Rule 9 to a maximum of \$450.

If the Applicant selects a \$250,000 limit of indemnity then pricing is 10% of the result of the rating after Rule 9 to a maximum of \$1,750.

If Cyber Deception Coverage is added mid term then the additional premium will be calculated as 100% of the applicable premium for that Applicant.

If the Applicant represents a Financial Institution or Title Agent then Cyber Deception Coverage is not available.

Attach endorsement 94.510

#### **11. Additional Premium Changes**

- a. Pro rate all changes requiring additional premium.
- b. Apply the rates and rules in effect on the effective date of the policy. In computing the additional premium, charge the amount applicable on the effective date of the change.

#### **12. Return Premium Changes**

- a. Compute return premium at the rates used to calculate the policy premium at policy inception.
- b. Compute return premium pro rata and round to the next higher whole dollar when any coverage or exposure is deleted or an amount of insurance is reduced.
- c. In respect of mid-term adjustments compute return premium at the rates used to calculate the policy additional premium at policy change effective date.



## BCS Insurance Company

### Cyber and Privacy Liability Insurance Program

#### Rate Manual

- d. If a claim has been notified to the policy being cancelled all premiums will be considered 100% earned at the time of the first circumstance/claim notification.
- e. Cyber Deception Return Premium Rule: If Cyber Deception Coverage is cancelled mid term then the premium for Cyber Deception Coverage will be considered 100% earned, unless the entire attaching policy is being cancelled at the same time when return premiums will be computed pro rata.

#### 13. Funds Transfer Fraud

If the Applicant represents a Financial Institution or Title Agent then then Funds Transfer Fraud sub-limit is zero with this coverage not being offered.

#### 14. Loss Rating Factor

For Applicants with revenue of \$100,000,000 or less, the Loss Rating Factor will be selected based upon the claims experienced in the last 5 years:

##### Loss Rating Factor Table

<u>Number of Claims</u>	<u>Factor</u>
<u>0 at \$0</u>	<u>0.70 – 1.00</u>
<u>1 at \$1 - &lt;\$50,000 each claim</u>	<u>1.01 - 1.25</u>
<u>2 or more at \$1 - &lt;\$50,001 each claim</u>	<u>1.26 – 1.50</u>
<u>1 to 3 at &gt;\$50,001 each claim</u>	<u>1.51 – 3.00</u>
<u>4 or More claims incurred</u>	<u>3.01 – 5.00</u>

For example if an Applicant has 2 claims in last 5 years of \$25,000 each, then their final calculated premium can be loaded up to a factor of 1.5.

#### 15. Schedule Rating - Modification Range Credit/Debit

Risks can be adjusted-per the following table subject to a maximum debit or credit level of +/-40% subject to minimum premiums. These adjustments take into consideration unusual characteristics as determined solely by underwriters.

<u>Submission Attributes</u>	<u>Maximum Credit</u>	<u>Maximum Debit</u>
<u>Financial Condition</u>	<u>-25%</u>	<u>+25%</u>
<u>Regulatory Environment</u>	<u>-25%</u>	<u>+25%</u>
<u>Geographical Operational Profile</u>	<u>-25%</u>	<u>+25%</u>
<u>Maturity of Business</u>	<u>-25%</u>	<u>+25%</u>
<u>Business Visibility</u>	<u>-25%</u>	<u>+25%</u>
<u>Other</u>	<u>-25%</u>	<u>+25%</u>

# BCS Insurance Company

## Cyber and Privacy Liability Insurance Program

### Rate Manual

#### 16. Program Factor

The Program Factor is based on specific underwriting and expense characteristics of risks participating in a Program. The Factor is applied uniformly to all risks participating in the Program. All documentation is to be held in a Home Office file and made available upon request.

<u>Program Factor</u>	<u>0.5 to 1.00</u>
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#### 17. Retention Factors

The following factors are to be used in the event an Applicant wishes to obtain a quote for an increased or decreased retention:

<u>Where quoted retention is less than retention as generated by rates</u>	
<u>Ratio of quoted / Guideline</u>	<u>Factor</u>
<u>0.5</u>	<u>1.2</u>
<u>0.6</u>	<u>1.16</u>
<u>0.7</u>	<u>1.12</u>
<u>0.8</u>	<u>1.08</u>
<u>0.9</u>	<u>1.04</u>
<u>1</u>	<u>1</u>

<u>Where quoted retention is greater than retention as generated by rates</u>	
<u>Ratio of quoted / Guideline</u>	<u>Factor</u>
<u>1.1</u>	<u>0.985</u>
<u>1.2</u>	<u>0.970</u>
<u>1.3</u>	<u>0.955</u>
<u>1.4</u>	<u>0.940</u>
<u>1.5</u>	<u>0.925</u>
<u>1.6</u>	<u>0.910</u>
<u>1.7</u>	<u>0.895</u>
<u>1.8</u>	<u>0.880</u>
<u>1.9</u>	<u>0.865</u>
<u>2.0</u>	<u>0.850</u>
<u>2.1</u>	<u>0.835</u>
<u>2.2</u>	<u>0.820</u>
<u>2.3</u>	<u>0.805</u>
<u>2.4</u>	<u>0.790</u>
<u>2.5</u>	<u>0.775</u>
<u>2.6</u>	<u>0.760</u>
<u>2.7</u>	<u>0.745</u>
<u>2.8</u>	<u>0.730</u>
<u>2.9</u>	<u>0.715</u>
<u>3.0 and up</u>	<u>0.7</u>