

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 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	2	0.23	Gross Revenue
Daycare / Child Services	2	0.50	Gross Revenue
Domestic Services (e.g. plumbers, electricians, tree surgeons, gardeners, cleaners)	1	0.75	Gross Revenue
E-commerce	3	1.00	Total Sales
Education - Colleges / Universities / Higher Education	3	1.00	Gross Revenue
Education - Pre-K through High School	3	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	2	0.75	Total Sales
Golf Clubs	2	0.50	Gross Revenue
Government	3	0.35	Operating Expenditure
Healthcare / Medical	3	1.00	Net Patient Revenue
Hotels / Hospitality	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	3	1.00	Gross Fees
Legal Services – Commercial	2	1.00	Gross Fees
Legal Services – Consumer	3	0.90	Gross Fees
Manufacturing	2	0.23	Gross Revenue
Cargo / Shipping / Logistics	1	0.20	Gross Revenue

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Pharmacy	3	1.00	Gross Revenue
Professional Services (excluding Legal Services)	2	0.69	Gross Revenue
Realtor - Commercial / Residential	3	0.30	Gross Revenue
Restaurant	2	0.75	Total Sales
Retail	2	0.75	Total Sales
Sports Clubs / Gyms	2	1.00	Gross Revenue
Telecommunications	2	1.00	Gross Revenue
Title Agents	2	1.00	Gross Revenue
Trade Associations / Unions	2	0.50	Gross Revenue
Utility	2	0.35	Gross Revenue
Veterinarian	3	0.75	Total Sales
Wholesale Sales / Distribution	3	0.25	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 base premium for Rateable Revenue of \$250,000,001.

Rateable Revenue	Base Premium
1	625
1,000,001	1,875
5,000,001	3,438
10,000,001	6,250
20,000,001	9,375
35,000,001	15,625
50,000,001	19,291
75,000,001	23,411
100,000,001	26,845
250,000,001	41,515

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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	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.

Industry Group	Factor
1	0.90-0.99
2	1.00-1.24
3	1.25-2.00

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	0.33-0.40
50,000	0.41-0.45
75,000	0.46-0.49
100,000	0.50-0.56
150,000	0.57-0.65

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250,000	0.66-0.80
500,000	0.81-0.99
1,000,000	1.00
2,000,000	1.30-1.69
3,000,000	1.70-2.20
5,000,000	Refer to Company for Rating
10,000,000	Refer to Company for Rating

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%
Golf Clubs	8 hrs	5.0%
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%

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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%
Title Agents	12 hrs	25.0%
Trade Associations / Unions	8 hrs	5.0%
Utility	10 hrs	10.0%
Veterinarian	10 hrs	10.0%
Wholesale Sales / Distribution	8 hrs	5.0%

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

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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	2,000
3,000,000	7,500
5,000,000	12,500
10,000,000	50,000

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

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c. Optional Extended Reporting Period

In the event of cancellation or nonrenewal an Extended Reporting Period endorsement may be purchased for an additional charge as follows:

Extended Reporting Period	Extended Reporting Period Premium
12 Months	100% of the Annual Policy Premium
24 Months	150% of the Annual Policy Premium
36 Months	200% of the Annual Policy Premium
48 Months	230% of the Annual Policy Premium
60 Months	250% of the Annual Policy Premium
72 Months	280% of the Annual Policy Premium

Attach endorsement 94.503

d. Unencrypted Portable Media Device Exclusion

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

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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.
- 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

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

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.

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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 shall not take into consideration characteristics that are already contemplated in the premium calculation.

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

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.

Program Factor	0.75 to 1.25
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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.

Where quoted retention is less than retention as generated by rates	
Ratio of quoted / Guideline	Factor
0.5	1.20
0.6	1.16
0.7	1.12
0.8	1.08
0.9	1.04
1	1.00

Where quoted retention is greater than retention as generated by rates	
Ratio of quoted / Guideline	Factor
1.1	0.985
1.2	0.970
1.3	0.955
1.4	0.940
1.5	0.925
1.6	0.910
1.7	0.895
1.8	0.880
1.9	0.865
2.0	0.850
2.1	0.835

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2.2	0.820
2.3	0.805
2.4	0.790
2.5	0.775
2.6	0.760
2.7	0.745
2.8	0.730
2.9	0.715
3.0 and up	0.700

18. Telephone Consumer Protection Act (TCPA) Coverage

Coverage for TCPA related losses can be limited to \$50,000 max per incident for a 0.25% premium discount.

Coverage for TCPA related losses can be limited to \$25,000 max per incident for a 0.5% premium discount.

19. Risk Target Factor

This factor is designed to reflect the degree of risk associated with the size of the Applicant's business, particularly relating to being a target for cyber crime. The base premium is further adjusted by the applicable factor below.

Target	Factor
Very Low	0.75-0.99
Low	1.00-1.09
Medium	1.10-1.19
High	1.20-1.39
Very High	1.40-1.59

20. Industry Health Factor

Reflects the degree of underwriting comfort/concern regarding the health of Applicant's industry at the present moment. Temporal industry trends, such as scrutiny reported in the media, and other external conditions/trends play a significant role in the "moment in time" risk levels of the industries of potential applicants. Generally, risk is lower for industries that are not negatively impacted by current economic and trends (and higher for those that are).

Category	Factor
Positively impacted by current climate	0.75-0.94
No impact	0.95-1.04
Negatively impacted by current climate	1.05-1.25

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21. Risk Management

This factor is designed to reflect the degree of risk associated with the Applicant's internal risk management and information security staffing. Considerations below are taken into account in the determination of the Risk Management and Information Security Personnel Factor, utilizing approved vendor risk management reports:

- Remote access vulnerabilities
- Inbox protection
- Outbound email protection
- Browser protection
- User education
- Website security
- Exposed data
- Host vulnerability

Risk Management	Factor
Above average	0.50-0.94
Average	0.95-1.04
Below average	1.05-1.50

22. Cyber Extortion

- If the Applicant does not utilize Multi-Factor Authentication (MFA) when accessing desktops or servers or applications remotely, then the retention for Cyber Extortion is raised to \$25,000 or the policy retention, whichever is higher. The underwriter may restore the original retention for an additional premium of 0% to 10% dependent on the security controls in place.
- The Cyber Extortion limit can be limited to \$100,000 max per incident for a 3% premium discount.

23. Cyber Deception Retention

If the Applicant does not have a call-back verification process in place when making changes to or setting up new payment instructions to a third party, then the Cyber Deception retention rises to \$25,000 or the policy retention whichever is higher.