

State: California
TOI/Sub-TOI: 17.2 Other Liability-Claims Made Only/17.2019 Professional Errors and Omissions Liability
Product Name: Insurance Agents and Brokers Errors and Omissions Program/Protector Insurance Agents and Brokers Errors and Omissions Program - Cybersurance - Privacy And Security Breach Coverage Revision
Project Name/Number: /

Filing at a Glance

Companies: Graphic Arts Mutual Insurance Company
Utica Mutual Insurance Company

Product Name: Insurance Agents and Brokers Errors and Omissions Program/Protector Insurance Agents and Brokers Errors and Omissions Program - Cybersurance - Privacy And Security Breach Coverage Revision

State: California
TOI: 17.2 Other Liability-Claims Made Only
Sub-TOI: 17.2019 Professional Errors and Omissions Liability
Filing Type: Form/Rate/Rule
Date Submitted: 07/06/2020
SERFF Tr Num: UTCX-132418203
SERFF Status: Closed-Approved
State Tr Num: 20-2274;20-2274-A
State Status: Approved
Co Tr Num: 20060

Effective Date: 11/01/2020
Requested (New):
Effective Date: 11/01/2020
Requested (Renewal):

Author(s): Kathleen McSweeney
Reviewer(s): Holly Tranzor (primary), Evelyn Gotera-Pitrou
Disposition Date: 09/02/2020
Disposition Status: Approved
Effective Date (New): 09/02/2020
Effective Date (Renewal): 09/02/2020

**This filing was provided as part of
The California Insurance ADVISOR
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or call 800-896-8000**

State: California **First Filing Company:** Graphic Arts Mutual Insurance Company, ...
TOI/Sub-TOI: 17.2 Other Liability-Claims Made Only/17.2019 Professional Errors and Omissions Liability
Product Name: Insurance Agents and Brokers Errors and Omissions Program/Protector Insurance Agents and Brokers Errors and Omissions Program - Cybersurance - Privacy And Security Breach Coverage Revision
Project Name/Number: /

General Information

Project Name:	Status of Filing in Domicile:
Project Number:	Domicile Status Comments:
Reference Organization:	Reference Number:
Reference Title:	Advisory Org. Circular:
Filing Status Changed: 09/02/2020	
State Status Changed: 09/02/2020	Deemer Date: 09/15/2020
Created By: Kathleen McSweeney	Submitted By: Kathleen McSweeney
Corresponding Filing Tracking Number:	

Filing Description:

With this filing we are revising our Cybersurance - Privacy And Security Breach Coverage for our Insurance Agents and Brokers Errors and Omissions Program/Protector Insurance Agents and Brokers Errors and Omissions Program.

The following changes have been made to the Cybersurance offering:

- Added additional Cybersurance limit options
- Amending our existing rates
- Introducing rates for higher employee counts
- Introducing rates for higher limits
- Introducing optional limits for the Payment Card Industry Fines and Penalties coverage
- Introducing Ransomware Coverage embedded within the endorsement

Company and Contact

Filing Contact Information

Kathleen McSweeney, Senior State Filings kathleen.mcsweeney@uticanational.com
Coordinator
180 Genesee Street 800-598-8422 [Phone] 7342169 [Ext]
New Hartford, NY 13413 315-734-2252 [FAX]

Filing Company Information

Graphic Arts Mutual Insurance Company	CoCode: 25984	State of Domicile: New York
180 Genesee Street	Group Code: 201	Company Type:
New Hartford, NY 13413	Group Name: Utica National Insurance Group	State ID Number:
(315) 734-2000 ext. [Phone]	FEIN Number: 13-5274760	

Utica Mutual Insurance Company	CoCode: 25976	State of Domicile: New York
180 Genesee Street	Group Code: 201	Company Type:
New Hartford, NY 13413	Group Name: Utica National Insurance Group	State ID Number:
(315) 734-2000 ext. [Phone]	FEIN Number: 15-0476880	

Filing Fees

State: California **First Filing Company:** Graphic Arts Mutual Insurance Company, ...
TOI/Sub-TOI: 17.2 Other Liability-Claims Made Only/17.2019 Professional Errors and Omissions Liability
Product Name: Insurance Agents and Brokers Errors and Omissions Program/Protector Insurance Agents and Brokers Errors and Omissions Program - Cybersurance - Privacy And Security Breach Coverage Revision
Project Name/Number: /

Fee Required? No

Retaliatory? No

Fee Explanation:

State Specific

Variance Requested? (Yes/No): No

State: California
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Project Name/Number: /

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Holly Tranzor	09/02/2020	09/02/2020
Accepted	Holly Tranzor	09/02/2020	09/02/2020

Objection Letters and Response Letters

Objection Letters

Status	Created By	Created On	Date Submitted
Pending company response	Holly Tranzor	08/13/2020	08/13/2020
Pending company response	Holly Tranzor	07/21/2020	07/21/2020

Response Letters

Responded By	Created On	Date Submitted
Kathleen McSweeney	08/14/2020	08/14/2020
Kathleen McSweeney	07/22/2020	07/22/2020

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Status Response	Note To Filer	Holly Tranzor	09/01/2020	09/01/2020
Status inquiry	Note To Reviewer	Kathleen McSweeney	09/01/2020	09/01/2020
Status Response	Note To Filer	Holly Tranzor	08/06/2020	08/06/2020
Status inquiry	Note To Reviewer	Kathleen McSweeney	08/06/2020	08/06/2020

State:	California	First Filing Company:	Graphic Arts Mutual Insurance Company, ...
TOI/Sub-TOI:	17.2 Other Liability-Claims Made Only/17.2019 Professional Errors and Omissions Liability		
Product Name:	Insurance Agents and Brokers Errors and Omissions Program/Protector Insurance Agents and Brokers Errors and Omissions Program - Cybersurance - Privacy And Security Breach Coverage Revision		
Project Name/Number:	/		

Disposition

Disposition Date: 09/02/2020
Effective Date (New): 09/02/2020
Effective Date (Renewal): 09/02/2020
Status: Approved

Comment: Only the changes specifically indicated in the application set forth above, as it may have been amended, are approved. Nothing in this letter shall constitute approval of any other application, whether incorporated by reference, or filed prior or subsequent to the application set forth above. The insurer shall begin issuing policies pursuant to this approval within 90 days of the date of this approval, provided that the insurer is licensed in California to transact the line of insurance for which the approval is given. The insurer may implement this approval earlier if it is able to do so. Regardless of the implementation date, the insurer shall implement this approval with the same effective date for both new and renewal business and shall offer this product to all eligible applicants as of the implementation date. This approval shall continue to have full force and effect until such time as a subsequent change for the referenced lines or programs may be approved or ordered by the Insurance Commissioner.

If any portion of the application or related documentation conflicts with California law, that portion is specifically not approved. This approval does not constitute an approval of underwriting guidelines nor the specific language, coverages, terms, covenants and conditions contained in any forms, or the forms themselves. Policy forms and underwriting guidelines included in this filing were reviewed only insofar as they relate to rates contained in this filing or currently on file with the California Department of Insurance. Any subsequent changes to underwriting guidelines or coverage, terms, covenants and conditions contained in any forms must be submitted with supporting documentation where those changes result in any rating impact. The Commissioner may at any time take any action allowed by law if he determines that any underwriting guidelines, forms or procedures for application of rates, or any other portions of the application conflict with any applicable laws or regulations.

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Graphic Arts Mutual Insurance Company	0.000%	0.000%	\$0	0	\$0	0.000%	0.000%
Utica Mutual Insurance Company	0.000%	0.000%	\$0	2	\$19,407	0.000%	0.000%

Overall Rate Information for Multiple Company Filings

Overall Percentage Rate Indicated For This Filing	0.000%
Overall Percentage Rate Impact For This Filing	0.000%
Effect of Rate Filing-Written Premium Change For This Program	\$0

State:	California	First Filing Company:	Graphic Arts Mutual Insurance Company, ...
TOI/Sub-TOI:	17.2 Other Liability-Claims Made Only/17.2019 Professional Errors and Omissions Liability		
Product Name:	Insurance Agents and Brokers Errors and Omissions Program/Protector Insurance Agents and Brokers Errors and Omissions Program - Cybersurance - Privacy And Security Breach Coverage Revision		
Project Name/Number:	/		

Effect of Rate Filing - Number of Policyholders Affected	2
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Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	New Prior Approval Rate Application		Yes
Supporting Document	Explanatory Memorandum		Yes
Supporting Document	Side by side comparisons		Yes
Form	Cybersurance Application Agents E&O		Yes
Form	Cybersurance - Privacy And Security Breach Coverage		Yes
Rate	Additional Rule - Cybersurance Privacy And Security Breach Coverage		Yes

State:	California	First Filing Company:	Graphic Arts Mutual Insurance Company, ...
TOI/Sub-TOI:	17.2 Other Liability-Claims Made Only/17.2019 Professional Errors and Omissions Liability		
Product Name:	Insurance Agents and Brokers Errors and Omissions Program/Protector Insurance Agents and Brokers Errors and Omissions Program - Cybersurance - Privacy And Security Breach Coverage Revision		
Project Name/Number:	/		

Disposition

Disposition Date: 09/02/2020
Effective Date (New): 09/02/2020
Effective Date (Renewal): 09/02/2020
Status: Accepted

Comment: Only the changes specifically indicated in the application set forth above, as it may have been amended, are approved. Nothing in this letter shall constitute approval of any other application, whether incorporated by reference, or filed prior or subsequent to the application set forth above. The insurer shall begin issuing policies pursuant to this approval within 90 days of the date of this approval, provided that the insurer is licensed in California to transact the line of insurance for which the approval is given. The insurer may implement this approval earlier if it is able to do so. Regardless of the implementation date, the insurer shall implement this approval with the same effective date for both new and renewal business and shall offer this product to all eligible applicants as of the implementation date. This approval shall continue to have full force and effect until such time as a subsequent change for the referenced lines or programs may be approved or ordered by the Insurance Commissioner.

If any portion of the application or related documentation conflicts with California law, that portion is specifically not approved. This approval does not constitute an approval of underwriting guidelines nor the specific language, coverages, terms, covenants and conditions contained in any forms, or the forms themselves. Policy forms and underwriting guidelines included in this filing were reviewed only insofar as they relate to rates contained in this filing or currently on file with the California Department of Insurance. Any subsequent changes to underwriting guidelines or coverage, terms, covenants and conditions contained in any forms must be submitted with supporting documentation where those changes result in any rating impact. The Commissioner may at any time take any action allowed by law if he determines that any underwriting guidelines, forms or procedures for application of rates, or any other portions of the application conflict with any applicable laws or regulations.

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Graphic Arts Mutual Insurance Company	0.000%	0.000%	\$0	0	\$0	0.000%	0.000%
Utica Mutual Insurance Company	0.000%	0.000%	\$0	2	\$19,407	0.000%	0.000%

Overall Rate Information for Multiple Company Filings

Overall Percentage Rate Indicated For This Filing	0.000%
Overall Percentage Rate Impact For This Filing	0.000%
Effect of Rate Filing-Written Premium Change For This Program	\$0

State:	California	First Filing Company:	Graphic Arts Mutual Insurance Company, ...
TOI/Sub-TOI:	17.2 Other Liability-Claims Made Only/17.2019 Professional Errors and Omissions Liability		
Product Name:	Insurance Agents and Brokers Errors and Omissions Program/Protector Insurance Agents and Brokers Errors and Omissions Program - Cybersurance - Privacy And Security Breach Coverage Revision		
Project Name/Number:	/		

Effect of Rate Filing - Number of Policyholders Affected 2

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	New Prior Approval Rate Application		Yes
Supporting Document	Explanatory Memorandum		Yes
Supporting Document	Side by side comparisons		Yes
Form	Cybersurance Application Agents E&O		Yes
Form	Cybersurance - Privacy And Security Breach Coverage		Yes
Rate	Additional Rule - Cybersurance Privacy And Security Breach Coverage		Yes

State: California **First Filing Company:** Graphic Arts Mutual Insurance Company, ...
TOI/Sub-TOI: 17.2 Other Liability-Claims Made Only/17.2019 Professional Errors and Omissions Liability
Product Name: Insurance Agents and Brokers Errors and Omissions Program/Protector Insurance Agents and Brokers Errors and Omissions Program - Cybersurance - Privacy And Security Breach Coverage Revision
Project Name/Number: /

Objection Letter

Objection Letter Status	Pending company response
Objection Letter Date	08/13/2020
Submitted Date	08/13/2020
Respond By Date	08/20/2020

Dear Kathleen McSweeney,

Introduction:

1.If the company is changing the rates/premium charge such as the deductible displayed in Table 1 and Table 2 for number of employees 1-35 with limit/deductible \$50,000/\$1000, \$100,000/\$1,500, \$250,000/\$2,500 of the E&O Insurance Manual that was submitted, then this will have an effect impact on current insureds. Thus the company needs to calculate the overall rate impact resulting from this change in rates/premium charge.

2. Please explain why was this filing not submitted as a rate filing when in fact you are proposing to revise existing rates as noted above.

Conclusion:

Sincerely,
Holly Tranzor

State: California **First Filing Company:** Graphic Arts Mutual Insurance Company, ...
TOI/Sub-TOI: 17.2 Other Liability-Claims Made Only/17.2019 Professional Errors and Omissions Liability
Product Name: Insurance Agents and Brokers Errors and Omissions Program/Protector Insurance Agents and Brokers Errors and Omissions Program - Cybersurance - Privacy And Security Breach Coverage Revision
Project Name/Number: /

Objection Letter

Objection Letter Status	Pending company response
Objection Letter Date	07/21/2020
Submitted Date	07/21/2020
Respond By Date	07/28/2020

Dear Kathleen McSweeney,

Introduction:

Please provide the overall rate impact resulting from the proposed changes.

Conclusion:

Sincerely,
Holly Tranzor

State: California **First Filing Company:** Graphic Arts Mutual Insurance Company, ...
TOI/Sub-TOI: 17.2 Other Liability-Claims Made Only/17.2019 Professional Errors and Omissions Liability
Product Name: Insurance Agents and Brokers Errors and Omissions Program/Protector Insurance Agents and Brokers Errors and Omissions Program - Cybersurance - Privacy And Security Breach Coverage Revision
Project Name/Number: /

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	08/14/2020
Submitted Date	08/14/2020

Dear Holly Tranzor,

Introduction:

This is in response to your objection letter dated August 13, 2020.

Response 1

Comments:

1. Although the base rates in table 2 are changing, we do not have any California policyholders with this coverage so the effect on current insureds is 0%.
2. The filing type in SERFF is Form/Rate/Rule and the filing was also marked as a rate filing on the required rate application.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

If you have any additional questions, please do not hesitate to contact me via SERFF or at (315) 734-2169.

Sincerely,

Kathleen McSweeney

State: California **First Filing Company:** Graphic Arts Mutual Insurance Company, ...
TOI/Sub-TOI: 17.2 Other Liability-Claims Made Only/17.2019 Professional Errors and Omissions Liability
Product Name: Insurance Agents and Brokers Errors and Omissions Program/Protector Insurance Agents and Brokers Errors and Omissions Program - Cybersurance - Privacy And Security Breach Coverage Revision
Project Name/Number: /

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	07/22/2020
Submitted Date	07/22/2020

Dear Holly Tranzor,

Introduction:

This is in response to your objection letter dated July 21, 2020.

Response 1

Comments:

A post submission update has been sent to provide the overall rate impact resulting from the proposed changes.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

If you have any additional questions, please do not hesitate to contact me via SERFF or at (315) 734-2169.

Sincerely,

Kathleen McSweeney

State: California **First Filing Company:** Graphic Arts Mutual Insurance Company, ...
TOI/Sub-TOI: 17.2 Other Liability-Claims Made Only/17.2019 Professional Errors and Omissions Liability
Product Name: Insurance Agents and Brokers Errors and Omissions Program/Protector Insurance Agents and Brokers Errors and Omissions Program - Cybersurance - Privacy And Security Breach Coverage Revision
Project Name/Number: /

Note To Filer

Created By:

Holly Tranzor on 09/01/2020 12:29 PM

Last Edited By:

Holly Tranzor

Submitted On:

09/01/2020 12:29 PM

Subject:

Status Response

Comments:

The earliest I can approve this filing is 9/2/20 which is tomorrow.

State: California **First Filing Company:** Graphic Arts Mutual Insurance Company, ...
TOI/Sub-TOI: 17.2 Other Liability-Claims Made Only/17.2019 Professional Errors and Omissions Liability
Product Name: Insurance Agents and Brokers Errors and Omissions Program/Protector Insurance Agents and Brokers Errors and Omissions Program - Cybersurance - Privacy And Security Breach Coverage Revision
Project Name/Number: /

Note To Reviewer

Created By:

Kathleen McSweeney on 09/01/2020 10:55 AM

Last Edited By:

Kathleen McSweeney

Submitted On:

09/01/2020 10:55 AM

Subject:

Status inquiry

Comments:

Please provide the status of this filing.

Thank you

State: California**First Filing Company:** Graphic Arts Mutual Insurance Company, ...**TOI/Sub-TOI:** 17.2 Other Liability-Claims Made Only/17.2019 Professional Errors and Omissions Liability**Product Name:** Insurance Agents and Brokers Errors and Omissions Program/Protector Insurance Agents and Brokers Errors and Omissions Program - Cybersurance - Privacy And Security Breach Coverage Revision**Project Name/Number:** /

Note To Filer

Created By:

Holly Tranzor on 08/06/2020 06:48 PM

Last Edited By:

Holly Tranzor

Submitted On:

08/06/2020 06:48 PM

Subject:

Status Response

Comments:

This filing is still under review. However, the earliest we can approve this filing would be 9/2/20.

State: California**First Filing Company:** Graphic Arts Mutual Insurance Company, ...**TOI/Sub-TOI:** 17.2 Other Liability-Claims Made Only/17.2019 Professional Errors and Omissions Liability**Product Name:** Insurance Agents and Brokers Errors and Omissions Program/Protector Insurance Agents and Brokers Errors and Omissions Program - Cybersurance - Privacy And Security Breach Coverage Revision**Project Name/Number:** /

Note To Reviewer

Created By:

Kathleen McSweeney on 08/06/2020 12:41 PM

Last Edited By:

Kathleen McSweeney

Submitted On:

08/06/2020 12:41 PM

Subject:

Status inquiry

Comments:

Please provide the status of this filing.

Thank you

State: California
TOI/Sub-TOI: 17.2 Other Liability-Claims Made Only/17.2019 Professional Errors and Omissions Liability
Product Name: Insurance Agents and Brokers Errors and Omissions Program/Protector Insurance Agents and Brokers Errors and Omissions Program - Cybersurance - Privacy And Security Breach Coverage Revision
Project Name/Number: /

First Filing Company: Graphic Arts Mutual Insurance Company, ...

Post Submission Update Request Submitted On 07/22/2020

Status: Submitted
Created By: Kathleen McSweeney

Overall Rate Information:

Field Name	Requested Change	Prior Value
Overall Percentage Rate Indicated For This Filing	0.000%	
Overall Percentage Rate Impact For This Filing	0.000%	

State: California
TOI/Sub-TOI: 17.2 Other Liability-Claims Made Only/17.2019 Professional Errors and Omissions Liability
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Project Name/Number: /

Form Schedule

Item No.	Schedule Item Status	Form Name	Form Number	Edition Date	Form Type	Form Action	Action Specific Data		Readability Score	Attachments
1		Cybersurance Application Agents E&O	14-A-134	Ed. 02-2020	ABE	Replaced	Previous Filing Number:	UTCX-G129991287, 14-2194; 14-2195		14A134.pdf
							Replaced Form Number:	14-A-134 Ed. 02-2015		
2		Cybersurance - Privacy And Security Breach Coverage	14-E-1110	Ed. 02-2020	END	Replaced	Previous Filing Number:	UTCX-G128497173, 12-5259; 12-5260		14E1110.pdf
							Replaced Form Number:	14-E-1110 Ed. 06-2012		

Form Type Legend:

ABE	Application/Binder/Enrollment	ADV	Advertising
BND	Bond	CER	Certificate
CNR	Canc/NonRen Notice	DEC	Declarations/Schedule
DSC	Disclosure/Notice	END	Endorsement/Amendment/Conditions
ERS	Election/Rejection/Supplemental Applications	OTH	Other

Cybersurance Application Agents E&O

Agency/named insured: _____ Policy number: _____

- | | | |
|---|-----|----|
| 1. Does each computer require a password to gain access? | Yes | No |
| If yes, do you require passwords to be at least 6 characters and changed regularly? | Yes | No |
| 2. For all software installed on your computers do you have a process in place for maintaining the latest operating system & recommended security patches? | Yes | No |
| 3. Do you back up critical data and personally identifiable information on a regular basis? | Yes | No |
| If yes, do you back it up onsite? | Yes | No |
| 4. Do you have a written information security plan that includes procedures on how to handle and protect personally identifiable information? | Yes | No |
| 5. Do you encrypt data on office computers? | Yes | No |
| 6. Do you have a third party perform vulnerability scans or penetration testing on your computer network at least once a year? | Yes | No |
| 7. During the past three years has your company experienced any serious information security incidents, breaches or successful virus attacks, resulting in significant losses of data or personally identifiable information, or potential legal liability? | Yes | No |
| 8. Do you use social media to promote or market your business? | Yes | No |
| 9. Do you block or restrict your employees from accessing their personal accounts on social media sites? | Yes | No |

10. Select a limit and corresponding deductible:

Limit	Deductible
\$50,000*	\$1,000
\$100,000	\$1,500
\$250,000	\$2,500
\$500,000	\$2,500
\$1,000,000	\$5,000
\$2,000,000	\$5,000

* Not available in North Dakota

11*. Increased Limits for Payment Card Industry Fines And Penalties Coverage (\$10,000 included):

Limit
\$25,000
\$50,000
\$75,000
\$100,000

* Not available in New York

FRAUD WARNINGS

FOR APPLICANTS IN THE FOLLOWING STATES:

COLORADO - It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

DISTRICT OF COLUMBIA - WARNING: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.

FLORIDA - Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.

KANSAS - Any person who commits a fraudulent insurance act is guilty of a crime and may be subject to restitution, fines and confinement in prison. A fraudulent insurance act means an act committed by any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written, electronic, electronic impulse, facsimile, magnetic, oral, or telephonic communication or statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto.

KENTUCKY and PENNSYLVANIA - Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to civil and criminal penalties.

MARYLAND - Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

OHIO - Any person who, with intent to defraud or knowing that he/she is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

OKLAHOMA - Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

OREGON - Any person who knowingly and with intent to defraud any insurance company or other person: (1) files an application for insurance or statement of claim containing any materially false information; or (2) conceals for the purpose of misleading, information, information concerning any material fact, may have committed a fraudulent insurance act.

PUERTO RICO - Any person who knowingly and with intent to defraud, presents false information in an insurance request form, or who presents, helps or has presented a fraudulent claim for the payment of a loss or other benefit, or presents more than one claim for the same damage or loss, will incur a felony, and upon conviction will be penalized for each violation with a fine of no less than five thousand dollars (\$5,000) nor more than ten thousand dollars (\$10,000); or imprisonment for a fixed term of three (3) years or both penalties. If aggravated circumstances prevail, the fixed established imprisonment may be increased to a maximum of five (5) years; if attenuating circumstances prevail, it may be reduced to a minimum of two (2) years.

VERMONT - Any person who knowingly presents a false statement in an application for insurance may be guilty of a criminal offense and subject to penalties under state law.

FOR APPLICANTS IN ALL OTHER STATES EXCEPT NEW YORK:

Any person who knowingly presents a false claim or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison, and denial of insurance benefits.

FOR APPLICANTS IN NEW YORK - Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.

This supplemental application must be signed by the owner (if the agency is a sole proprietorship), a duly authorized officer (if the agency is a corporation), or a partner (if the agency is a partnership). Carbon or stamped signatures are not acceptable.

Applicant signature(s): _____

Print name: _____ Title: _____ Date: _____

Required in Iowa: Soliciting agent: _____ License number: _____

I/We HEREBY DECLARE that the above statements and particulars are true to the best of my/our knowledge and that I/we have not suppressed or misstated any facts, and I/we agree that this supplemental application shall be the basis of the coverage issued by the company providing this insurance. In all states except North Carolina, this supplemental application shall be deemed attached to and part of the policy. It is also acknowledged that the applicant is obligated to report any changes in the information provided herein that occur after the date of signature but prior to the effective date of coverage.



Utica Mutual Insurance Company and its affiliated companies, New Hartford, NY 13413
www.uticanational.com • 1.800.598.8422

\POLICY NUMBER:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CYBERSURANCE - PRIVACY AND SECURITY BREACH COVERAGE

SCHEDULE*

I. Effective Date:

(If no date entered, coverage is effective from policy inception.)

Additional Premium \$ _____

Limit of Liability \$

Deductible \$

Retroactive Date

Claim Expenses **Inside The Limit of Liability** ☐ **Outside The Limit of Liability** ☐

Payment Card Industry Fines And Penalties Revised Limit \$

*Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The changes described herein apply only with respect to this Cybersurance - Privacy And Security Breach Coverage endorsement. All provisions of the Policy apply unless modified by this endorsement.

With respect to the insurance afforded by this endorsement, the Limit of Liability and Deductible shown in the Schedule above apply in lieu of, not in addition to, the Limits of Liability and Deductible stated in the policy Declarations.

If the Schedule above shows that Claim Expenses are Inside the Limit of Liability, the coverage provided by this endorsement applies on a defense within limits basis. Any "claim expense" paid under this coverage will reduce the available Limit of Liability and may exhaust it completely.

- II.** In consideration of the additional premium shown above or in the Declarations, it is agreed that the insurance provided under **Section II - Coverage** is amended to include the following supplemental coverages:

A. Privacy Breach Liability Coverage

We will pay for all "loss" resulting from a "privacy breach" to which this insurance applies resulting from a "claim" first made against you during the "policy period", or any Extended Reporting Period provided, for an actual or alleged "privacy breach" which took place on or after the Retroactive Date, if any, shown in the Schedule.

B. Security Breach Liability Coverage

We will pay for all "loss" resulting from a "security breach" to which this insurance applies resulting from a "claim" first made against you during the "policy period", or any Extended Reporting Period provided, for an actual or alleged "security breach" which took place on or after the Retroactive Date, if any, shown in the Schedule that results in a "covered event".

C. Breach Notice Response Services Coverage

We will provide you with "breach notice response services" for a "privacy breach" covered under **Section II. A. - Privacy Breach Liability Coverage** or a "security breach" covered under **Section II. B. - Security Breach Liability Coverage** above that requires you to comply with any "breach notice laws".

D. Regulatory Response And Penalties Coverage

We will pay:

- (1) "Claim expenses" required to evaluate or respond to a "claim" from any state or federal regulatory agency or other government agency; and
- (2) Fines or penalties imposed by law; due to or resulting from an actual or alleged "privacy breach" or "security breach".

Any "claim" under this Supplemental Coverage must first be made against you during the "policy period" or any Extended Reporting Period provided.

You agree to the use of an attorney retained by us, or hired by you with our written consent.

The most we will pay under this Supplemental Coverage is \$25,000 per "policy period".

The most we will pay under this Supplemental Coverage during any Optional Extended Reported Period provided is \$25,000.

The \$25,000 limit provided by this Supplemental Coverage is part of and not in addition to the Limit of Liability shown in the Schedule.

Part 1. under the "loss" definition does not apply to this Supplemental Coverage.

Exclusion M. does not apply to this Supplemental Coverage.

E. Payment Card Industry Fines And Penalties

We will pay for PCI fines or penalties stipulated in a written contract that you are required to pay because of your failure to comply with Payment Card Industry Data Security Standards (PCIDSS) for the handling of information in connection with payment card transactions.

Any "claim" under this Supplemental Coverage must first be made against you during the "policy period" or any Extended Reporting Period provided.

Unless a Revised Limit is shown in the Schedule, the most we will pay under this Supplemental Coverage is \$10,000 per "policy period".

Unless a Revised Limit is shown in the Schedule, the most we will pay under this Supplemental Coverage during any Optional Extended Reported Period provided is \$10,000.

The limit provided by this Supplemental Coverage is part of and not in addition to the Limit of Liability shown in the Schedule.

Any exclusion for amounts due under the terms of any contract in the Coverage Form to which this endorsement is attached does not apply to this Supplemental Coverage.

Part 1. under the "loss" definition does not apply to this Supplemental Coverage.

You agree to use due diligence to prevent and mitigate any fines or penalties covered under this Supplemental Coverage. This includes, but is not limited to, making reasonable efforts to require your vendors, financial institutions, credit or debit card companies, credit or debit card processors, or other independent operators you use to accept payment, comply with reasonable and industry-accepted standards and protocols for protecting transactions, such as processing credit card, debit card and check payments.

F. RansomWare Coverage

We will provide you with "ransomware support services" if "your computer system" is held hostage by "ransomware" and you receive a ransom demand during the "policy period" or any Extended Reporting Period provided.

"Ransomware support services" means assistance provided to you if "your computer system" becomes infected with "ransomware". These services will be performed by a computer consultant who will attempt to free "your computer system" of the "ransomware" and regain access and restore system functionality. The assistance may be over the phone or in person. If it is not possible to free "your computer system" of "ransomware", the consultant can, at your request, assist you in restoring "your computer system" with a previously made backup of "your computer system", provided one is available.

"Ransomware" means any type of "malicious code" that is used to extort money by:

- a. Locking down a computer system and restricting access to it; or
- b. Encrypting some or all of a computer system's data files.

You agree to the use of a computer consultant retained by us, or hired by you with our written consent.

The most we will pay under this Supplemental Coverage is \$50,000 per "policy period".

The most we will pay under this Supplemental Coverage during any Optional Extended Reported Period provided is \$50,000.

The \$50,000 limit provided by this Supplemental Coverage is part of and not in addition to the Limit of Liability shown in the Schedule.

This Supplemental Coverage does not apply to payment of any ransom demand.

III. Interrelated Events

Regardless of the number of insureds, "claims", or "suits", all "interrelated events" shall be considered a single "claim" and shall be deemed to have been made at the time the first of those "claims" is made against any insured. Only the Limit of Liability in effect on the date the first "claim" is made will apply to all "interrelated events". Only one Deductible will apply to all "interrelated events".

IV. Defense and Settlement of Claims

We will have the right and duty to defend the insured against any "claim" seeking "loss" to which this insurance applies even if the allegations of the "suit" are groundless, false or fraudulent. However, we will have no duty to defend the insured against any "claim" seeking "loss" to which this insurance does not apply. We may at our discretion:

- A.** Investigate any "claim"; and
- B.** Settle any "claim" which may result, provided:
 - 1. We have your written consent to settle; and
 - 2. The settlement is within the applicable Limit of Liability.

The amounts we will pay under this endorsement are limited as described in Section VI. below.

Our right and duty to defend end when we have used up the applicable Limit of Liability. Once the Limit of Liability shown in the Schedule above is exhausted, we will have no further obligation to pay "loss", "claim expense", "breach notice response services", or to undertake or continue the defense of any "claim". We will have the right to withdraw from the further defense of any "claim" under this coverage by tendering control of the defense to you. You will also be responsible for providing notification and "credit monitoring services" to "impacted individuals" and may continue to utilize any vendors recommended by us to provide such services.

V. Exclusions

The following exclusions replace and supersede those under **Section III - Exclusions** in the policy:

This insurance does not apply to any "privacy breach", "security breach", "claim" or "suit":

- A.** Alleging or arising out of any willful, deliberate, malicious, fraudulent, dishonest or criminal act, error or omission by an insured, or any intentional or knowing violation of law, or intentional "security breach" or "privacy breach" by an insured. This exclusion does not apply to "claim expense" incurred in defending an insured against any such "suit", but we will have no obligation to pay any "loss" for such conduct. However, if a court of competent jurisdiction or arbitrator determines that the insured's conduct was willful, deliberate, malicious, fraudulent, dishonest or criminal, we will have the right to recover all "claim expense" we incurred to defend those insureds found to have committed such conduct.

The insured shall reimburse us for all "claim expense" incurred defending the "suit" and we shall have no further liability for "claim expense". Such conduct shall not be imputed to the Named Insured if it occurs without the participation, knowledge, consent or acquiescence of any "management personnel".

- B.** Brought by an entity which:
 - 1. You own or partly own, operate, manage or in which you have an ownership interest in excess of 15%, or in which you are an officer or director, except this provision will not apply to a "suit" that employee data is the subject of a "privacy breach" or violation of a "privacy regulation"; or
 - 2. Wholly or partly owns, operates, controls or manages you.
- C.** Alleging or arising out of any "bodily injury" or "property damage".
- D.** Alleging or arising out of your insolvency, financial impairment or bankruptcy.
- E.** Alleging or arising out of any "suit", act, error, omission, circumstance, "privacy breach", "security breach", or potential "suit" reported to a prior insurer.

- F. Alleging or arising out of any act, error, omission, circumstance, vulnerability, "privacy breach" or "security breach" if prior to the inception date of this endorsement, you knew, or reasonably could have foreseen, that such act, error, omission, circumstance, vulnerability, "privacy breach" or "security breach" might form the basis of a "claim" or potential "claim".
- G. Alleging or arising out of any contractual liability or obligation, including without limitation, any liability assumed under contract, or alleging or arising out of or resulting from breach of contract or agreement, in either oral or written, including without limitation, any breach of express warranty or guarantee.
- H. Alleging or arising out of any violation, misappropriation or infringement of any copyright, trademark, patent or other intellectual property right, or any copying, infringement, misappropriation, display, disclosure, publication or misappropriation of any trade secret.
- I. Due to any actual or alleged electrical or mechanical breakdown, failure or interruption, disturbance, surge, spike, brownout or blackout; or outages to gas, water, telephone, cable satellite, telecommunications or other infrastructure comprising or supporting the Internet including service provided by the Internet service provider that hosts your website.
- J. Alleging or arising out of any fire, smoke, explosion, lightning, wind, flood, surface water, earthquake, volcanic eruption, tidal wave, landslide, hail, act of God or any other physical event, however caused.
- K. Alleging or arising out of any existence, emission or discharge of any electromagnetic field, electromagnetic radiation or electromagnetism that actually or allegedly affects the health, safety or condition of any person or the environment, or that affects the value, marketability, condition or use of any property.
- L. Alleging or arising out of any:
 - 1. War, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
 - 2. Any act of terrorism.

For the purpose of this exclusion an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

We also exclude loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to 1. and/or 2. above.

- M. Brought by or on behalf of the Federal Trade Commission, Department of Health and Human Services, Office of Civil Rights, the Federal Communications Commission, or any other state, federal, local or foreign governmental entity, in such entity's regulatory or official capacity.
- N. Alleging or arising out of any of the following:
 - 1. Trading losses, trading liabilities or change in value of accounts; any loss, transfer or theft of monies, securities or tangible property of others in your care, custody or control; or
 - 2. The monetary value of any transactions or electronic fund transfers by you or on your behalf which is lost, diminished, or damaged during transfer from, into or between accounts.
- O. Made by one insured against another insured. However, this exclusion does not apply to a "suit" brought against you by your employee resulting from a "privacy breach" that is otherwise covered under Section II.
 - A. - Privacy Breach Liability Coverage** above.
- P. Alleging or arising out of any wrongful employment practice, including, but not limited to harassment, hostile work environment, wrongful dismissal, discharge or termination, retaliation, wrongful disciplinary action, deprivation of career opportunity, failure to employ or promote, inadequate work place policies or procedures, or negligent evaluation of employees. However, this exclusion does not apply to any "claim" or "suit" resulting from a "privacy breach" that is otherwise covered.

- Q.** Alleging or arising out of any act, error or omission or breach of duty by any "management personnel" in the discharge of their duties if the "claim" or "suit" is brought by you or any of your principals, directors or officers, stockholders, members or employees in their capacity as such.
- R.** Alleging or arising out of the:
 - 1. Unauthorized collection or acquisition of "personally identifiable information" by you, on your behalf, or with your consent or cooperation; or
 - 2. Failure to comply with a legal requirement to provide individuals with the ability to assent to or withhold assent (e.g. opt-in or opt-out) from the collection, disclosure or use of "personally identifiable information".
- S.** Alleging or arising out of the:
 - 1. Distribution of unsolicited email, direct mail or facsimiles, wire tapping, audio or video recording, or telemarketing by you or a third party on your behalf; or
 - 2. Violation of any federal, state or local statute, ordinance or regulation that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.
- T.** Alleging or arising out of your activities as a trustee, partner, officer, director or employee of any employee trust, charitable organization, corporation, company or business other than the Named Insured shown in the Schedule.
- U.** Alleging or arising out of any false, deceptive or unfair trade practice or violation of any consumer protection laws.
- V.** Alleging or arising out of any of the following:
 - 1. Any violation of the Organized Crime Control Act of 1970 (commonly known as Racketeer Influenced and Corrupt Organizations Act or RICO), as amended, or any regulation promulgated thereunder or any similar federal law or legislation, or law or legislation of any state, province or other jurisdiction similar to the foregoing, whether such law is statutory, regulatory or common law;
 - 2. Any violation of any securities law, regulation or legislation, including but not limited to the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Act of 1940, any state or provincial blue sky or securities law, any other federal securities law or legislation, or any other similar law or legislation of any state, province or other jurisdiction, or any amendment to the above laws, or any violation of any order, ruling or regulation issued pursuant to the above laws;
 - 3. Any violation of the Fair Labor Standards Act of 1938, the National Labor Relations Act, the Worker Adjustment and Retraining Act of 1988, the Certified Omnibus Budget Reconciliation Act of 1985, the Occupational Safety and Health Act of 1970, or any similar law or legislation of any state, province or other jurisdiction, or any amendment to the above law or legislation, or any violation of any order, ruling or regulation issued pursuant to the above laws or legislation;
 - 4. Any breach of fiduciary duty, responsibility, or obligation in connection with any employee benefit or pension plan, including violation of the responsibilities, obligations or duties imposed upon fiduciaries by the Employee Retirement Income Security Act of 1974 as amended;
 - 5. Any violation of any local, state or federal laws concerning antitrust or restraint of trade, or any false, deceptive or misleading advertising, or any violation of the Sherman Antitrust Act, the Clayton Act, or the Robinson-Patman Act, as amended; or
 - 6. The knowing offshore movement, storage, processing or outsourcing of data to a legal jurisdiction outside of the United States and its Territories by you or a third party on your behalf.

VI. Limit of Liability

- A.** The Limit of Liability shown in the Schedule and the provisions below determine the most we will pay regardless of the number of:
 - 1. Insureds;
 - 2. "Claims" made or "suits" brought;
 - 3. Persons or organizations making "claims"; or
 - 4. "Privacy breaches" or "security breaches".

- B. The Limit of Liability shown in the Schedule is the most we will pay for the sum of all "loss", "claim expense"* and "breach notice response services" covered by this endorsement.

*If the Schedule above shows that Claim Expenses are Inside The Limit of Liability.

- C. The Limit of Liability for this coverage applies separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the "policy period" shown in the Declarations, unless the "policy period" is extended after issuance for an additional period of less than 12 months. In that case, the Limit of Liability for this coverage will be increased in proportion to any policy extension provided.

- D. The Limit of Liability applies in excess of the Deductible shown in the Schedule. The Deductible applies to payments for "loss", "claim expense"* and "breach notice response services" covered by this endorsement. We may pay any part or all of the Deductible to settle or defend a "claim" or "suit". You agree to promptly reimburse us for any payments applicable to your Deductible.

*If the Schedule above shows that Claim Expenses are Inside The Limit of Liability.

VII. Conditions

The following changes apply to the **Conditions** Section:

- A. The following replaces **Duties In The Event Of Wrongful Act, Claim Or Suit:**

Duties In The Event Of Privacy Breach, Security Breach, Claim Or Suit

1. You must provide written notice to us as soon as practicable of any "privacy breach", "security breach", "claim" or "suit". To the extent possible, notice should include:
 - a. The circumstances surrounding the "privacy breach" or "security breach" including how, when, and where it took place;
 - b. The names and addresses of persons involved and any witnesses;
 - c. The nature of the harm resulting from the "privacy breach" or "security breach";
 - d. The date the "claim" or "suit" was received; and

- e. An indication of the number of individuals that may be impacted, the type of information involved, and the actions taken to mitigate or contain the "loss", "privacy breach" or "security breach".

2. You and any other involved insured must:

- a. Authorize us to obtain records and other information;
- b. Cooperate with us in the investigation, settlement or defense of the "claim", "suit", "privacy breach" or "security breach";
- c. Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to an insured because of "loss" to which this insurance may also apply; and
- d. Provide us with a copy of or link to your relevant "privacy policy" and information security policy if applicable.

3. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.

4. It is a condition precedent to coverage under this endorsement that you obtain our written consent before you admit liability, make any payment, assume any obligation, incur any expense, enter into any settlement, stipulate to any judgment or award, agreement or other means of disposing of any "claim" or any portion of any "claim".

- B. The following Conditions are added:

1. Computer System Protection

- a. It is a condition precedent to coverage under this endorsement that at all times during the "policy period" you or your independent contractor shall:
 - (1) Maintain anti-virus software on any computer that is part of "your computer system" and routinely update the protection as reasonably necessary;
 - (2) Maintain firewalls on any computer that is part of "your computer system" and connected to the internet; and

- (3) Take reasonable security precautions when processing, storing, or transmitting credit card payment data or "personally identifiable information".

- b. It is a condition precedent to coverage under this endorsement for any "mobile storage device" that the "mobile storage device" is subject to regular strong encryption processes and protected by reasonable access controls to prevent unauthorized access to such hardware.

2. Reimbursement

In the event of a determination that there is no coverage under this endorsement, you agree to reimburse us for any and all "loss" and "claim expense" that we paid for any "suit" or portion of "suit" that was determined not to be covered.

VIII. Additional Services

The following **Additional Services** are available to you and do not affect the Limit of Liability:

A. Privacy Breach Management Services

In the event of a possible or actual "privacy breach" that may require you to comply with any "breach notice laws", we will provide you with "privacy breach management services" performed by the breach services consultants of our choice. The possible or actual "privacy breach" must be reported to us within ten (10) days of suspicion of or actual discovery of facts revealing a potential or actual "privacy breach" has occurred.

"Privacy breach management services" are available as needed for any one "privacy breach" for up to 12 consecutive months from the inception of the service. "Privacy breach management services" are available to you regardless of whether or not you have actually suffered a "privacy breach" and whether or not an actual "suit" under this endorsement results.

B. Identity Restoration Case Management Services

In the event of a "privacy breach" that requires you to comply with any "breach notice laws", we will provide "identity restoration case management services" performed by a Fraud Specialist.

"Identity restoration case management services" are available so long as any "identity fraud" related activity is first discovered by the "impacted individual" following a "covered event" under this endorsement.

"Identity restoration case management services" are available as needed for any "identity fraud" for up to 12 consecutive months from the inception of the service.

"Identity restoration case management services" are provided without regard to whether the person or persons committing the "identity fraud" are identified so long as the "impacted individual" is willing to complete a fraud victim affidavit and file a police report or incident report concerning the "identity fraud".

C. Service Definitions

1. "Account takeover" means the takeover by a third party of one or more existing deposit accounts, credit card accounts, debit card accounts, ATM cards, or lines of credit in the name of an "impacted individual".
2. "Fraud specialist" means an expert who will assist in resolving the fraudulent use, or suspected fraudulent use, of personal information and to restore it to pre-incident status to the extent possible and feasible under the law. This assistance may include contacting credit reporting agencies, credit grantors, collection agencies and government agencies or other activities needed to restore the identity information of the "impacted individual".
3. "Identity fraud" means and includes any fraudulent activity associated with an "account takeover" or "identity theft" suffered by an "impacted individual".
4. "Identity restoration case management services" means assistance to an "impacted individual" by a "fraud specialist" who will work on a one-on-one basis and provide help and guidance specific to the "impacted individual's" classification as an account takeover or identity theft victim.
5. "Identity theft" means a fraud committed or attempted by a third party using the identifying information of another person without authority and resulting in the creation of one or more new accounts, or a new identity in public records (such as a driver's license) or elsewhere.

6. "Privacy breach management services" means those services provided to you including:

- a. **Proactive Breach Preparation Services** - Tools, educational material or information that can be used to instruct staff and prevent and prepare for a "privacy breach".
- b. **Reactive Breach Response Services** - We will assist you with the handling and management of a "privacy breach". Such assistance may include guidance about best practices, documentation, or the overall process of responding to the "privacy breach". We may also assign breach services consultants to work directly with your breach management team, management or legal counsel.
- c. **Computer and Network Forensic Evaluation Consulting Services** - We will provide general consulting on technical aspects of the "privacy breach" including assistance with determining if and what type of specific computer and network forensics you should undertake.
Computer and Network Forensic Evaluation Consulting Services does not include the actual performance of digital forensic services on "your computer systems" or networks and do not include suggestions or consulting regarding corrective actions to be taken by you to address inadequacies in "your computer system's" or network's security.

IX. Definitions

The following changes apply to Section I - Definitions:

- A. "Claim expense" is replaced by the following:
"Claim expense" means only those reasonable legal fees, costs or expenses incurred by us or you with our prior written consent, to defend or investigate a "claim" or "suit". "Claim expense" does not include any salaries, overhead, lost productivity, or other internal costs, expenses or charges you incur; costs or expenses for mitigation of a "privacy breach" or "security breach"; the costs or expenses for or arising out of any security or privacy measures, controls, policies, procedures, assessments or audits; or the costs or expenses of any investigation of or compliance with any "breach notice law".

- B. "Loss" is replaced by the following:

"Loss" means any amount which an insured becomes legally obligated to pay as compensatory damages arising out of any "claim" to which this insurance applies and shall include judgments and settlements. "Loss" shall not include:

1. Fines or penalties imposed by law;
2. Taxes;
3. Punitive or exemplary damages or any damages that are multiples of any other damages assessed against an insured;
4. Equitable relief, injunctive relief, declarative relief or any other relief or recovery other than monetary amounts; or
5. Matters which may be deemed uninsurable under the law pursuant to which the policy shall be construed.

- C. The following definitions are added:

1. "Breach notice legal and forensic expenses" means:
 - a. Fees incurred for the services of a third party computer forensics professional to conduct an investigation to identify whether data containing "personally identifiable information" was accessed by an unauthorized person as a result of a covered "privacy breach"; and
 - b. Attorney fees for an outside attorney to determine whether any "breach notice laws" apply and the obligations of such applicable laws, and assist you to comply with such laws, including but not limited to drafting notice letters to "impacted individuals".
2. "Breach notice law" means any governmental statute or regulation that requires an organization to provide notice to those individuals whose "personally identifiable information" was actually, or was reasonably believed to have been, accessed by an unauthorized third party.
3. "Breach notice response services" means any of the following expenses incurred by us, or by you with our prior written consent, with respect to "impacted individuals":
 - a. "Breach notice legal and forensic expenses";
 - b. "Notice fulfillment services"; and
 - c. "Credit monitoring services".

4. "Covered event" means any of the following:
 - a. Unauthorized access to, or unauthorized use of, "your computer system";
 - b. Physical theft or loss of a "data storage device" that results in unauthorized access to "personally identifiable information", including a "data storage device" that is a laptop computer;
 - c. Transmission of "malicious code" from "your computer system" to a third party's computer system;
 - d. "Denial of service attack" targeted at "your computer system" or launched from "your computer system" against a third party's computer system; or
 - e. An intentional and malicious theft, copying, alteration, destruction, deletion or damage to data stored on or transmitted within "your computer system", including without limitation "personally identifiable information" stored electronically on "your computer system".
5. "Credit monitoring services" means twelve (12) months of "credit monitoring services" provided to each "impacted individual", but only if such individual actually enrolls for and redeems such services. This endorsement does not cover any expenses related to or arising out of "credit monitoring services" where an "impacted individual" has not enrolled for and redeemed such services. "Credit monitoring services" notify an affected individual by e-mail when there is any change or suspicious activity on a credit record on file with a credit reporting agency.
6. "Data storage device" means any:
 - a. "Mobile storage device"; or
 - b. Computer hardware on which "personally identifiable information" is stored that is not a "mobile storage device", and that is protected by reasonable access controls to prevent unauthorized access to such hardware, including without limitation internal hard-drives, desktop computers, back-up tapes and servers.
- "Data storage device" however does not mean or include any phone devices (including without limitation any smart phone) or any device or equipment leased to you or leased or sold by you.
7. "Denial of service attack" means an intentional and malicious attack by a third party intended by such to block or prevent access to a computer system.
8. "Impacted individual" means an individual whose "personally identifiable information" was compromised as a result of a "privacy breach".
9. "Interrelated events" means "claims" for "privacy breaches" or "security breaches" which arise out of and have as a common basis:
 - a. Related circumstances, situations, events, transactions or facts;
 - b. A series of related circumstances, situations, events, transactions or facts; or
 - c. A common pattern of conduct.
10. "Malicious code" means any virus, Trojan, worm or other similar malicious software program, code or script (including without limitation any of the foregoing that are specifically targeted or generally targeted at multiple computers or networks) intentionally designed to infect and harm a computer system, harm data on a computer system, or steal data from a computer system.
11. "Management personnel" means your officers, directors, risk managers, partners, managing members of an LLC, or staff attorney (including without limitation any CIO, CSO, CEO, COO, GC, CISO, or CFO), or any individual in a substantially similar position, or having substantially similar responsibilities, as the foregoing, irrespective of the exact title.
12. "Mobile storage device" means any laptop computer, external hard-drive, thumb-drive, non-phone PDAs or flash storage device on which "personally identifiable information" is stored.
13. "Notice fulfillment services" means fulfillment services to provide notice to "impacted individuals" as required under applicable "breach notice laws", including printing services, email notice, media notice, mailing services and postage.

- 14.** "Personally identifiable information" means any of the following information, in electronic form or paper media, in your care, custody or control, or the care, custody or control of a third party that provides services on your behalf pursuant to a written agreement which fully indemnifies you for any claims, loss and costs arising out of any unauthorized access or use of such information:
- a.** A person's first and last name, or first initial and last name in combination with: social security number, passport number or any other national identification number; driver's license number or any other state identification number; medical or healthcare data including protected health information; or any account number, credit or debit card number in combination with any required password or security code that would permit access to the financial account;
 - b.** Non-public personal information as defined in any "privacy regulation"; or
 - c.** An Internet Protocol (IP) address where utilizing reasonable knowledge means you can identify a specific individual with such IP address.
- 15.** "Privacy breach" means any of the following:
- a.** Theft or loss of "personally identifiable information"; or
 - b.** Your negligent failure to comply with that portion of your "privacy policy" explicitly:
 - (1)** Allowing a person to access or correct his or her "personally identifiable information"; or
 - (2)** Requiring the destruction or deletion of "personally identifiable information";provided, however, that at the time of such failure you must have had in force an existing "privacy policy" addressing such issues described in **(1)** and **(2)** above.
- 16.** "Privacy policy" means your written and publicly disclosed policies identifying your practices for the collection, use, disclosure, sharing, allowing of access to, and correction of "personally identifiable information".
- 17.** "Privacy regulation" means any statute or regulation addressing the control, use or protection of "personally identifiable information".
- 18.** "Security breach" means the inability and failure of your existing technical or physical security measures of "your computer system" to prevent unauthorized access to or unauthorized use of "your computer system".
- 19.** "Your computer system" means any computer hardware, software or firmware, and components thereof including data stored thereon, that is:
- a.** Owned or leased by you and which is under your direct operational control; or
 - b.** Under the direct operational control of an independent contractor or other third party that provides services on your behalf; provided that such independent contractor or other third party has agreed pursuant to a written contract with you to fully indemnify you for any claims, loss and costs arising out of any unauthorized access or use of such computer hardware, software or firmware, components and data.
- "Your computer system" does not include any cloud service provider, or any data stored in or controlled in whole or in part by any cloud service provider.

State:	California	First Filing Company:	Graphic Arts Mutual Insurance Company, ...
TOI/Sub-TOI:	17.2 Other Liability-Claims Made Only/17.2019 Professional Errors and Omissions Liability		
Product Name:	Insurance Agents and Brokers Errors and Omissions Program/Protector Insurance Agents and Brokers Errors and Omissions Program - Cybersurance - Privacy And Security Breach Coverage Revision		
Project Name/Number:	/		

Rate Information

Rate data applies to filing.

Filing Method:	Prior Approval
Rate Change Type:	Neutral
Overall Percentage of Last Rate Revision:	0.000%
Effective Date of Last Rate Revision:	06/01/2014
Filing Method of Last Filing:	Prior Approval
SERFF Tracking Number of Last Filing:	UTCX-G129362527

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Graphic Arts Mutual Insurance Company	0.000%	0.000%	\$0	0	\$0	0.000%	0.000%
Utica Mutual Insurance Company	0.000%	0.000%	\$0	2	\$19,407	0.000%	0.000%

State:	California	First Filing Company:	Graphic Arts Mutual Insurance Company, ...
TOI/Sub-TOI:	17.2 Other Liability-Claims Made Only/17.2019 Professional Errors and Omissions Liability		
Product Name:	Insurance Agents and Brokers Errors and Omissions Program/Protector Insurance Agents and Brokers Errors and Omissions Program - Cybersurance - Privacy And Security Breach Coverage Revision		
Project Name/Number:	/		

Rate/Rule Schedule

Item No.	Schedule Item Status	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Attachments
1		Additional Rule - Cybersurance Privacy And Security Breach Coverage	8-MP-2407 Ed. 02-2020	Replacement	8-MP-2407 Ed. 02-2014 UTCX-G129362527, 14-191, 14-195	2407 Ed 02-2020.pdf

INSURANCE AGENTS' & BROKERS' ERRORS & OMISSIONS INSURANCE MANUAL

ADDITIONAL RULE – CYBERSURANCE PRIVACY AND SECURITY BREACH COVERAGE

Coverage Description

This optional endorsement may be attached to the Agents Errors and Omissions policy to provide supplemental coverages that address the data breach and cyber liability exposure. The core coverages provided are:

- 1. Privacy Breach Liability Coverage** – Covers the insured's legal liability for damages due to the theft or loss of personally identifiable information or the insured's negligent failure to comply with their privacy policy.
- 2. Security Breach Liability Coverage** – Covers the insured's legal liability for damages due to the inability or failure of the insured's technical or physical security measures to prevent unauthorized access to or unauthorized use of their computer system.
- 3. Breach Notice Response Services Coverage** – Covers breach notice legal and forensic expenses, notice fulfillment services, and credit monitoring services as defined in the form.

Except for the states listed below, claim expenses are inside the Limit of Liability. Coverage applies on a defense within limits basis and any claim expense paid will reduce the available Limit of Liability and may exhaust it completely.

The Claim Expense Inside the Limit of Liability option is not available in Arkansas, Maine, Montana, Nevada, New Jersey, New Mexico, New York, Oklahoma, Oregon, Rhode Island, Texas, Utah, Vermont or Wyoming. For policies in these states, the Claim Expense Outside the Limit of Liability option must be used.

Indicate in the Schedule at the top of page one whether Claim Expenses are Inside or Outside the Limit of Liability.

Eligibility

This optional endorsement may be attached to any Standard or Protector policy. Agencies with revenues of over \$250 million are ineligible.

Form

Attach endorsement **14-E-1110**, "Cybersurance – Privacy And Security Breach Coverage".

INSURANCE AGENTS' & BROKERS' ERRORS & OMISSIONS INSURANCE MANUAL

Limits of Liability and Deductibles

The Limits of Liability available are annual aggregate limits and are shown with the corresponding deductible in **Table 1** below. Enter the applicable limit and deductible in the Schedule.

Table 1

Limit	Deductible
\$50,000	\$1,000
\$100,000	\$1,500
\$250,000	\$2,500
\$500,000	\$2,500
\$1,000,000	\$5,000
\$2,000,000	\$5,000

Base Premium Determination

The basis used for determining the premium charge is the insured's total number of full and part time employees, and Independent Contractors if providing coverage for them, and the selected Limit / Deductible.

Table 2

	Staff Size Rating				
Limit / Deductible	1 to 6 employees	7 to 9 employees	10 to 14 employees	15 to 35 employees	36 to 55 employees
\$50,000 / \$1,000	\$453	\$518	\$660	\$858	\$987
\$100,000 / \$1,500	\$634	\$726	\$923	\$1,200	\$1,283
\$250,000 / \$2,500	\$792	\$908	\$1,154	\$1,500	\$1,688
\$500,000 / \$2,500	\$990	\$1,136	\$1,430	\$1,875	\$2,109
\$1,000,000 / \$5,000	\$1,238	\$1,420	\$1,788	\$2,343	\$2,636

*** See below for rating of accounts with more than 55 employees, \$2,000,000 Limit, and Claims Expense Outside the Limit of Liability.

INSURANCE AGENTS' & BROKERS' ERRORS & OMISSIONS INSURANCE MANUAL

➤ Per Employee Rates for Accounts with more than 55 employees

Per employee rate added to current premium for 36-55 employees	Per Employee Rate For accounts with more than 55 employees
Limit / Deductible	
\$50,000 / \$1,000	\$9.00
\$100,000 / \$1,500	\$12.00
\$250,000 / \$2,500	\$18.00
\$500,000 / \$2,500	\$25.00
\$1,000,000 / \$5,000	\$32.00

➤ **\$2,000,000 Limit Rating**

Determine \$1,000,000 limit premium applicable to the staff size being covered and increase it by 45% (i.e. multiply by a factor of 1.45).

➤ **Claims Expense Outside the Limit of Liability Rating**

The base premiums calculated are for Claim Expense coverage Inside the Limit of Liability. For policies in states where the Claim Expense Outside the Limit of Liability option must be used, increase the applicable premium by 15% (i.e. multiplied by a factor of 1.15).

Retroactive Date

Enter the retroactive date in the Schedule. The retroactive date may be the same as the effective date of the endorsement or prior to the effective date of the endorsement. For full prior acts coverage, enter "None" in the Schedule. Refer to the state E&O manual for any applicable retroactive date discounts.

Payment Card Industry Fines And Penalties Increased Limit Premium Determination

The base limit provided is \$10,000, but if a policyholder wants higher limits (up to \$100,000) the cost is:

- \$25,000 = 1% Additional Premium (percentage applied to Cybersurance premium)
- \$50,000 = 1.5% Additional Premium (percentage applied to Cybersurance premium)
- \$75,000 = 2% Additional Premium (percentage applied to Cybersurance premium)
- \$100,000 = 2.5% Additional Premium (percentage applied to Cybersurance premium)

INSURANCE AGENTS' & BROKERS' ERRORS & OMISSIONS INSURANCE MANUAL

Schedule Rating Modifications

Individual Risk Rating Factors are subject to the credit or debit factors shown below to reflect the individual risk characteristics.

Cybersurance Credits / Debits		Credit %	Debit %
		Yes	No
1.	Are passwords required to be at least 6 characters in length and changed regularly?	3	3
2.	Is critical data and PII backed up offsite on a regular basis?	3	2
3.	Do you encrypt data on office computers?	1	3
4.	Does a 3rd party perform vulnerability scans or penetration testing on the computer network at least once a year?	3	2
5.	During the past three years has the business been free of any serious information security incidents, breaches, successful virus attacks, resulting in (a) significant losses of data or PII, or (b) potential legal liability?	2	3
6.	Does the business have a Written Information Security Plan?	6	3
7.	Does the business refrain from using social media to promote or market itself?	0	2
8.	Do you block or restrict your employees from accessing their personal accounts on social media sites?	4	2

State:	California	First Filing Company:	Graphic Arts Mutual Insurance Company, ...
TOI/Sub-TOI:	17.2 Other Liability-Claims Made Only/17.2019 Professional Errors and Omissions Liability		
Product Name:	Insurance Agents and Brokers Errors and Omissions Program/Protector Insurance Agents and Brokers Errors and Omissions Program - Cybersurance - Privacy And Security Breach Coverage Revision		
Project Name/Number:	/		

Supporting Document Schedules

Satisfied - Item:	New Prior Approval Rate Application
Comments:	
Attachment(s):	CA Rate Application 20060.xlsm CA Rate Application 20060.pdf CA 20060 EXHIBIT 18.pdf
Item Status:	
Status Date:	
Satisfied - Item:	Explanatory Memorandum
Comments:	
Attachment(s):	EO - 2020 Cybersurance - Filing Memo - CA.pdf
Item Status:	
Status Date:	
Satisfied - Item:	Side by side comparisons
Comments:	
Attachment(s):	8MP2407 Ed. 02-2014 with 8MP2407 Ed. 02-2020.pdf 14E1110 Ed. 06-2012 with 14E1110 Ed. 02-2020.pdf 14A134 Ed. 02-2015 with 14A134 Ed. 02-2020.pdf
Item Status:	
Status Date:	

Text Comparison

Documents Compared

2407 Ed 02 2014.pdf

2407 Ed 02-2020.pdf

Summary

366 word(s) added

71 word(s) deleted

704 word(s) matched

7 block(s) matched

To see where the changes are, please scroll down.

UTICA NATIONAL INSURANCE GROUP

INSURANCE AGENTS' & BROKERS' ERRORS & OMISSIONS INSURANCE MANUAL

ADDITIONAL RULE – CYBERSURANCE PRIVACY AND SECURITY BREACH COVERAGE

Coverage Description

This optional endorsement ~~modifies the E&O policy by adding three cyber related coverages:~~

1. **Privacy Breach Liability Coverage** – Covers the insured's legal liability for damages due to the theft or loss of personally identifiable information or the insured's negligent failure to comply with their privacy policy.
2. **Security Breach Liability Coverage** – Covers the insured's legal liability for damages due to the inability or failure of the insured's technical or physical security measures to prevent unauthorized access to or unauthorized use of their computer system.
3. **Breach Notice Response Services Coverage** – Covers breach notice legal and forensic expenses, notice fulfillment services, and credit monitoring services as defined in the form.

Except for the states listed below, claim expenses are inside the Limit of Liability. Coverage applies on a defense within limits basis and any claim expense paid will reduce the available Limit of Liability and may exhaust it completely.

The Claim Expense Inside the Limit of Liability option is not available in Arkansas, Maine, Montana, Nevada, New Jersey, New Mexico, New York, Oklahoma, Oregon, Rhode Island, Texas, Utah, Vermont or Wyoming. For policies in these states, the Claim Expense Outside the Limit of Liability option must be used.

Indicate in the Schedule at the top of page one whether Claim Expenses are Inside or Outside the Limit of Liability.

Eligibility

This optional endorsement may be attached to any Standard or Protector policy. Agencies with ~~more than 35 employees or~~ revenues of over \$250 million are ineligible.

Form

Attach endorsement **14-E-1110**, "Cybersurance – Privacy And Security Breach Coverage".

UTICA NATIONAL INSURANCE GROUP

INSURANCE AGENTS' & BROKERS' ERRORS & OMISSIONS INSURANCE MANUAL

ADDITIONAL RULE – CYBERSURANCE PRIVACY AND SECURITY BREACH COVERAGE

Coverage Description

This optional endorsement may be attached to the Agents Errors and Omissions policy to provide supplemental coverages that address the data breach and cyber liability exposure. The core coverages provided are:

1. **Privacy Breach Liability Coverage** – Covers the insured's legal liability for damages due to the theft or loss of personally identifiable information or the insured's negligent failure to comply with their privacy policy.
2. **Security Breach Liability Coverage** – Covers the insured's legal liability for damages due to the inability or failure of the insured's technical or physical security measures to prevent unauthorized access to or unauthorized use of their computer system.
3. **Breach Notice Response Services Coverage** – Covers breach notice legal and forensic expenses, notice fulfillment services, and credit monitoring services as defined in the form.

Except for the states listed below, claim expenses are inside the Limit of Liability. Coverage applies on a defense within limits basis and any claim expense paid will reduce the available Limit of Liability and may exhaust it completely.

The Claim Expense Inside the Limit of Liability option is not available in Arkansas, Maine, Montana, Nevada, New Jersey, New Mexico, New York, Oklahoma, Oregon, Rhode Island, Texas, Utah, Vermont or Wyoming. For policies in these states, the Claim Expense Outside the Limit of Liability option must be used.

Indicate in the Schedule at the top of page one whether Claim Expenses are Inside or Outside the Limit of Liability.

Eligibility

This optional endorsement may be attached to any Standard or Protector policy. Agencies with revenues of over \$250 million are ineligible.

Form

Attach endorsement **14-E-1110**, "Cybersurance – Privacy And Security Breach Coverage".

UTICA NATIONAL INSURANCE GROUP

INSURANCE AGENTS' & BROKERS' ERRORS & OMISSIONS INSURANCE MANUAL

Limits of Liability and Deductibles

The Limits of Liability available are annual aggregate limits and are shown with the corresponding deductible in **Table 1** below. Enter the applicable limit and deductible in the Schedule.

Table 1

Limit	Deductible
\$50,000	\$1,000
\$100,000	\$1,500
\$250,000	\$2,500

Base Premium Determination

The basis used for determining the premium charge is the insured's total number of full and part time employees, and Independent Contractors if providing coverage for them, and the selected Limit / Deductible.

Table 2

Policy Premium	Staff Size Rating			
Limit / Deductible	1 to 6 employees	7 to 9 employees	10 to 14 employees	15 to 35 employees
\$50,000 / \$1,000	\$503	\$576	\$660	\$906
\$100,000 / \$1,500	\$704	\$807	\$923	\$1,269
\$250,000 / \$2,500	\$986	\$1,129	\$1,293	\$1,776

~~The base premiums shown in Table 2 above~~ are for Claim Expense coverage Inside the Limit of Liability. For policies in states where the Claim Expense Outside the Limit of Liability option must be used, increase the applicable premium by 15% (i.e. multiplied by a factor of 1.15).

UTICA NATIONAL INSURANCE GROUP

INSURANCE AGENTS' & BROKERS' ERRORS & OMISSIONS INSURANCE MANUAL

Limits of Liability and Deductibles

The Limits of Liability available are annual aggregate limits and are shown with the corresponding deductible in **Table 1** below. Enter the applicable limit and deductible in the Schedule.

Table 1

Limit	Deductible
\$50,000	\$1,000
\$100,000	\$1,500
\$250,000	<u>\$2,500</u>
<u>\$500,000</u>	<u>\$2,500</u>
<u>\$1,000,000</u>	<u>\$5,000</u>
<u>\$2,000,000</u>	<u>\$5,000</u>

Base Premium Determination

The basis used for determining the premium charge is the insured's total number of full and part time employees, and Independent Contractors if providing coverage for them, and the selected Limit / Deductible.

Table 2

	Staff Size Rating				
Limit / Deductible	1 to 6 employees	7 to 9 employees	10 to 14 employees	15 to 35 employees	<u>36 to 55 employees</u>
<u>\$50,000 / \$1,000</u>	<u>\$453</u>	<u>\$518</u>	<u>\$660</u>	<u>\$858</u>	<u>\$987</u>
<u>\$100,000 / \$1,500</u>	<u>\$634</u>	<u>\$726</u>	<u>\$923</u>	<u>\$1,200</u>	<u>\$1,283</u>
<u>\$250,000 / \$2,500</u>	<u>\$792</u>	<u>\$908</u>	<u>\$1,154</u>	<u>\$1,500</u>	<u>\$1,688</u>
<u>\$500,000 / \$2,500</u>	<u>\$990</u>	<u>\$1,136</u>	<u>\$1,430</u>	<u>\$1,875</u>	<u>\$2,109</u>
<u>\$1,000,000 / \$5,000</u>	<u>\$1,238</u>	<u>\$1,420</u>	<u>\$1,788</u>	<u>\$2,343</u>	<u>\$2,636</u>

*** See below for rating of accounts with more than 55 employees, \$2,000,000 limit, and Claims Expense Outside the Limit of Liability.

UTICA NATIONAL INSURANCE GROUP

INSURANCE AGENTS' & BROKERS' ERRORS & OMISSIONS INSURANCE MANUAL

Retroactive Date

Enter the retroactive date in the Schedule. The retroactive date may be the same as the effective date of the endorsement or prior to the effective date of the endorsement. For full prior acts coverage, enter "None" in the Schedule. Refer to the state E&O manual for any applicable retroactive date discounts.

Schedule Rating Modifications

Individual Risk Rating Factors are subject to the credit or debit factors shown below to reflect the individual risk characteristics.

Cybersurance Credits / Debits		Credit %	Debit %
		Yes	No
1.	Are passwords required to be at least 6 characters in length and changed regularly?	3	3
2.	Is critical data and PII backed up offsite on a regular basis?	3	2
3.	Do you encrypt data on office computers?	1	3
4.	Does a 3rd party perform vulnerability scans or penetration testing on the computer network at least once a year?	3	2
5.	During the past three years has the business been free of any serious information security incidents, breaches, successful virus attacks, resulting in (a) significant losses of data or PII, or (b) potential legal liability?	2	3
6.	Does the business have a Written Information Security Plan?	6	3
7.	Does the business refrain from using social media to promote or market itself?	0	2
8.	Do you block or restrict your employees from accessing their personal accounts on social media sites?	4	2

UTICA NATIONAL INSURANCE GROUP

INSURANCE AGENTS' & BROKERS' ERRORS & OMISSIONS INSURANCE MANUAL

➤ Per Employee Rates for Accounts with more than 55 employees

<u>Per employee rate added to current premium for 36-55 employees</u>	<u>Per Employee Rate For accounts with more than 55 employees</u>
<u>Limit / Deductible</u>	
<u>\$50,000 / \$1,000</u>	<u>\$9.00</u>
<u>\$100,000 / \$1,500</u>	<u>\$12.00</u>
<u>\$250,000 / \$2,500</u>	<u>\$18.00</u>
<u>\$500,000 / \$2,500</u>	<u>\$25.00</u>
<u>\$1,000,000 / \$5,000</u>	<u>\$32.00</u>

➤ \$2,000,000 Limit Rating

Determine \$1,000,000 limit premium applicable to the staff size being covered and increase it by 45% (i.e. multiply by a factor of 1.45).

➤ Claims Expense Outside the Limit of Liability Rating

The base premiums calculated are for Claim Expense coverage Inside the Limit of Liability. For policies in states where the Claim Expense Outside the Limit of Liability option must be used, increase the applicable premium by 15% (i.e. multiplied by a factor of 1.15).

Retroactive Date

Enter the retroactive date in the Schedule. The retroactive date may be the same as the effective date of the endorsement or prior to the effective date of the endorsement. For full prior acts coverage, enter "None" in the Schedule. Refer to the state E&O manual for any applicable retroactive date discounts.

Payment Card Industry Fines And Penalties Increased Limit Premium Determination

The base limit provided is \$10,000, but if a policyholder wants higher limits (up to \$100,000) the cost is:

- \$25,000 = 1% Additional Premium (percentage applied to Cybersurance premium)
- \$50,000 = 1.5% Additional Premium (percentage applied to Cybersurance premium)
- \$75,000 = 2% Additional Premium (percentage applied to Cybersurance premium)
- \$100,000 = 2.5% Additional Premium (percentage applied to Cybersurance premium)

UTICA NATIONAL INSURANCE GROUP**INSURANCE AGENTS' & BROKERS'**
ERRORS & OMISSIONS INSURANCE MANUAL**Schedule Rating Modifications**

Individual Risk Rating Factors are subject to the credit or debit factors shown below to reflect the individual risk characteristics.

Cybersurance Credits / Debits		Credit %	Debit %
		Yes	No
1.	Are passwords required to be at least 6 characters in length and changed regularly?	3	3
2.	Is critical data and PII backed up offsite on a regular basis?	3	2
3.	Do you encrypt data on office computers?	1	3
4.	Does a 3rd party perform vulnerability scans or penetration testing on the computer network at least once a year?	3	2
5.	During the past three years has the business been free of any serious information security incidents, breaches, successful virus attacks, resulting in (a) significant losses of data or PII, or (b) potential legal liability?	2	3
6.	Does the business have a Written Information Security Plan?	6	3
7.	Does the business refrain from using social media to promote or market itself?	0	2
8.	Do you block or restrict your employees from accessing their personal accounts on social media sites?	4	2

Text Comparison

Documents Compared

14A134.pdf

14A134.pdf

Summary

167 word(s) added

50 word(s) deleted

1220 word(s) matched

9 block(s) matched

To see where the changes are, please scroll down.


[RESET](#)

Cybersurance Application Agents E&O

Agency/named insured: _____

Policy number: _____

1. Does each computer require a password to gain access? ☐ Yes ☐ No
If yes, do you require passwords to be at least 6 characters and changed regularly? ☐ Yes ☐ No
2. For all software installed on your computers do you have a process in place for maintaining the latest operating system & recommended security patches? ☐ Yes ☐ No
3. Do you back up critical data and personally identifiable information on a regular basis? ☐ Yes ☐ No
If yes, do you back it up onsite? ☐ Yes ☐ No
4. Do you have a written information security plan that includes procedures on how to handle and protect personally identifiable information? ☐ Yes ☐ No
5. Do you encrypt data on office computers? ☐ Yes ☐ No
6. Do you have a third party perform vulnerability scans or penetration testing on your computer network at least once a year? ☐ Yes ☐ No
7. During the past three years has your company experienced any serious information security incidents, breaches or successful virus attacks, resulting in significant losses of data or personally identifiable information, or potential legal liability? ☐ Yes ☐ No
8. Do you use social media to promote or market your business? ☐ Yes ☐ No
9. Do you block or restrict your employees from accessing their personal accounts on social media sites? ☐ Yes ☐ No
10. Select a limit and corresponding deductible:

Limit	Deductible
<input type="checkbox"/> \$50,000	\$1,000
<input type="checkbox"/> \$100,000	\$1,500
<input type="checkbox"/> \$250,000	\$2,500

FRAUD WARNINGS

FOR APPLICANTS IN THE FOLLOWING STATES:

COLORADO – It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

DISTRICT OF COLUMBIA – WARNING: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.

FLORIDA – Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.

Cybersurance Application Agents E&O

Agency/named insured: _____

Policy number: _____

1. Does each computer require a password to gain access? ☐ Yes ☐ No
 If yes, do you require passwords to be at least 6 characters and changed regularly? ☐ Yes ☐ No
2. For all software installed on your computers do you have a process in place for maintaining the latest operating system & recommended security patches? ☐ Yes ☐ No
3. Do you back up critical data and personally identifiable information on a regular basis? ☐ Yes ☐ No
 If yes, do you back it up onsite? ☐ Yes ☐ No
4. Do you have a written information security plan that includes procedures on how to handle and protect personally identifiable information? ☐ Yes ☐ No
5. Do you encrypt data on office computers? ☐ Yes ☐ No
6. Do you have a third party perform vulnerability scans or penetration testing on your computer network at least once a year? ☐ Yes ☐ No
7. During the past three years has your company experienced any serious information security incidents, breaches or successful virus attacks, resulting in significant losses of data or personally identifiable information, or potential legal liability? ☐ Yes ☐ No
8. Do you use social media to promote or market your business? ☐ Yes ☐ No
9. Do you block or restrict your employees from accessing their personal accounts on social media sites? ☐ Yes ☐ No
10. Select a limit and corresponding deductible:

Limit	Deductible
<input type="checkbox"/> \$50,000*	\$1,000
<input type="checkbox"/> \$100,000	\$1,500
<input type="checkbox"/> \$250,000	\$2,500
<input type="checkbox"/> \$500,000	\$2,500
<input type="checkbox"/> \$1,000,000	\$5,000
<input type="checkbox"/> \$2,000,000	\$5,000

* Not available in North Dakota

11* Increased Limits for Payment Card Industry Fines And Penalties Coverage (\$10,000 included):

- Limit**
- ☐ \$25,000
- ☐ \$50,000
- ☐ \$75,000
- ☐ \$100,000

* Not available in New York

~~KANSAS~~ Any person who commits a fraudulent insurance act is guilty of a crime and may be subject to restitution, fines and confinement in prison. A fraudulent insurance act means an act committed by any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer or insurance agent or broker, any written statement as part of, or in support of, an application for insurance, ~~or the rating of an insurance policy~~, or a claim for payment or other benefit under an insurance policy, which such person knows to contain materially false information concerning any material ~~fact~~ thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto.

KENTUCKY and PENNSYLVANIA – Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to civil and criminal penalties.

MARYLAND – Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

OHIO – Any person who, with intent to defraud or knowing that he/she is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

OKLAHOMA – Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

OREGON – Any person who knowingly and with intent to defraud any insurance company or other person: (1) files an application for insurance or statement of claim containing any materially false information; or (2) conceals for the purpose of misleading, information, information concerning any material fact, may have committed a fraudulent insurance act.

PUERTO RICO – Any person who knowingly and with intent to defraud, presents false information in an insurance request form, or who presents, helps or has presented a fraudulent claim for the payment of a loss or other benefit, or presents more than one claim for the same damage or loss, will incur a felony, and upon conviction will be penalized for each violation with a fine of no less than five thousand dollars (\$5,000) nor more than ten thousand dollars (\$10,000); or imprisonment for a fixed term of three (3) years or both penalties. If aggravated circumstances prevail, the fixed established imprisonment may be increased to a maximum of five (5) years; if attenuating circumstances prevail, it may be reduced to a minimum of two (2) years.

FOR APPLICANTS IN ALL OTHER STATES EXCEPT NEW YORK:

Any person who knowingly presents a false claim or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison, and denial of insurance benefits.

FOR APPLICANTS IN NEW YORK – Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.

This supplemental application must be signed by the owner (if the agency is a sole proprietorship), a duly authorized officer (if the agency is a corporation), or a partner (if the agency is a partnership). Carbon or stamped signatures are not acceptable.

Applicant signature(s): _____

Print name: _____ Title: _____ Date: _____

Required in Iowa: Soliciting agent: _____ License number: _____

I/We HEREBY DECLARE that the above statements and particulars are true to the best of my/our knowledge and that I/we have not suppressed or misstated any facts, and I/we agree that this supplemental application shall be the basis of the coverage issued by the company providing ~~this insurance, and~~ shall be deemed attached to and part of the policy. It is also acknowledged that the applicant is obligated to report any changes in the information provided herein that occur after the date of signature but prior to the effective date of coverage.



Utica National Insurance Group
Insurance that starts with you.®

Utica Mutual Insurance Company and its affiliated companies, New Hartford, NY 13413
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FRAUD WARNINGS

FOR APPLICANTS IN THE FOLLOWING STATES:

COLORADO ■ It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

DISTRICT OF COLUMBIA ■ **WARNING:** It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.

FLORIDA ■ Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.

KANSAS ■ Any person who commits a fraudulent insurance act is guilty of a crime and may be subject to restitution, fines and confinement in prison. A fraudulent insurance act means an act committed by any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written, electronic, electronic impulse, facsimile, magnetic, oral, or telephonic communication or statement as part of, or in support of, an application for the issuance of, or the rating of, an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto.

KENTUCKY and PENNSYLVANIA ■ Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to civil and criminal penalties.

MARYLAND ■ Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

OHIO ■ Any person who, with intent to defraud or knowing that he/she is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

OKLAHOMA ■ Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

OREGON ■ Any person who knowingly and with intent to defraud any insurance company or other person: (1) files an application for insurance or statement of claim containing any materially false information; or (2) conceals for the purpose of misleading, information, information concerning any material fact, may have committed a fraudulent insurance act.

PUERTO RICO ■ Any person who knowingly and with intent to defraud, presents false information in an insurance request form, or who presents, helps or has presented a fraudulent claim for the payment of a loss or other benefit, or presents more than one claim for the same damage or loss, will incur a felony, and upon conviction will be penalized for each violation with a fine of no less than five thousand dollars (\$5,000) nor more than ten thousand dollars (\$10,000); or imprisonment for a fixed term of three (3) years or both penalties. If aggravated circumstances prevail, the fixed established imprisonment may be increased to a maximum of five (5) years; if attenuating circumstances prevail, it may be reduced to a minimum of two (2) years.

VERMONT - Any person who knowingly presents a false statement in an application for insurance may be guilty of a criminal offense and subject to penalties under state law.

FOR APPLICANTS IN ALL OTHER STATES EXCEPT NEW YORK:

Any person who knowingly presents a false claim or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison, and denial of insurance benefits.

FOR APPLICANTS IN NEW YORK ■ Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.

This supplemental application must be signed by the owner (if the agency is a sole proprietorship), a duly authorized officer (if the agency is a corporation), or a partner (if the agency is a partnership). Carbon or stamped signatures are not acceptable.

Applicant signature(s): _____

Print name: _____ Title: _____ Date: _____

Required in Iowa: Soliciting agent: _____ License number: _____

I/We HEREBY DECLARE that the above statements and particulars are true to the best of my/our knowledge and that I/we have not suppressed or misstated any facts, and I/we agree that this supplemental application shall be the basis of the coverage issued by the company providing this insurance. In all states except North Carolina, this supplemental application shall be deemed attached to and part of the policy. It is also acknowledged that the applicant is obligated to report any changes in the information provided herein that occur after the date of signature but prior to the effective date of coverage.



Utica Mutual Insurance Company and its affiliated companies, New Hartford, NY 13413
www.uticanational.com • 1.800.598.8422

Text Comparison

Documents Compared

14E1110.pdf

14E1110.pdf

Summary

945 word(s) added

115 word(s) deleted

5269 word(s) matched

7 block(s) matched

To see where the changes are, please scroll down.

POLICY NUMBER:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CYBERSURANCE - PRIVACY AND SECURITY BREACH COVERAGE

SCHEDULE*

I. Effective Date:

(If no date entered, coverage is effective from policy inception.)

Additional Premium \$ _____

Limit of Liability \$**Deductible** \$**Retroactive Date**
Claim Expenses **Inside The Limit of Liability** ☐ **Outside The Limit of Liability** ☐

*Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The changes described herein apply only with respect to this Cybersurance - Privacy And Security Breach Coverage endorsement. All provisions of the Policy apply unless modified by this endorsement.

With respect to the insurance afforded by this endorsement, the Limit of Liability and Deductible shown in the Schedule above apply in lieu of, not in addition to, the Limits of Liability and Deductible stated in the policy Declarations.

If the Schedule above shows that Claim Expenses are Inside the Limit of Liability, the coverage provided by this endorsement applies on a defense within limits basis. Any "claim expense" paid under this coverage will reduce the available Limit of Liability and may exhaust it completely.

- II.** In consideration of the additional premium shown above or in the Declarations, it is agreed that the insurance provided under **Section II - Coverage** is amended to include the following supplemental coverages:

A. Privacy Breach Liability Coverage

We will pay for all "loss" resulting from a "privacy breach" to which this insurance applies resulting from a "claim" first made against you during the "policy period", or any Extended Reporting Period provided, for an actual or alleged "privacy breach" which took place on or after the Retroactive Date, if any, shown in the Schedule.

B. Security Breach Liability Coverage

We will pay for all "loss" resulting from a "security breach" to which this insurance applies resulting from a "claim" first made against you during the "policy period", or any Extended Reporting Period provided, for an actual or alleged "security breach" which took place on or after the Retroactive Date, if any, shown in the Schedule that results in a "covered event".

C. Breach Notice Response Services Coverage

We will provide you with "breach notice response services" for a "privacy breach" covered under **Section II. A. - Privacy Breach Liability Coverage** above that requires you to comply with any "breach notice laws".

POLICY NUMBER:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CYBERSURANCE - PRIVACY AND SECURITY BREACH COVERAGE

SCHEDULE*

I. Effective Date:

(If no date entered, coverage is effective from policy inception.)

Additional Premium \$ _____

Limit of Liability \$

Deductible \$

Retroactive Date

Claim Expenses Inside The Limit of Liability ☐ Outside The Limit of Liability ☐Payment Card Industry Fines And Penalties Revised Limit \$

*Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The changes described herein apply only with respect to this Cybersurance - Privacy And Security Breach Coverage endorsement. All provisions of the Policy apply unless modified by this endorsement.

With respect to the insurance afforded by this endorsement, the Limit of Liability and Deductible shown in the Schedule above apply in lieu of, not in addition to, the Limits of Liability and Deductible stated in the policy Declarations.

If the Schedule above shows that Claim Expenses are Inside the Limit of Liability, the coverage provided by this endorsement applies on a defense within limits basis. Any "claim expense" paid under this coverage will reduce the available Limit of Liability and may exhaust it completely.

- II. In consideration of the additional premium shown above or in the Declarations, it is agreed that the insurance provided under **Section II - Coverage** is amended to include the following supplemental coverages:

A. Privacy Breach Liability Coverage

We will pay for all "loss" resulting from a "privacy breach" to which this insurance applies resulting from a "claim" first made against you during the "policy period", or any Extended Reporting Period provided, for an actual or alleged "privacy breach" which took place on or after the Retroactive Date, if any, shown in the Schedule.

B. Security Breach Liability Coverage

We will pay for all "loss" resulting from a "security breach" to which this insurance applies resulting from a "claim" first made against you during the "policy period", or any Extended Reporting Period provided, for an actual or alleged "security breach" which took place on or after the Retroactive Date, if any, shown in the Schedule that results in a "covered event".

C. Breach Notice Response Services Coverage

We will provide you with "breach notice response services" for a "privacy breach" covered under **Section II. A. - Privacy Breach Liability Coverage** or a "security breach" covered under **Section II. B. - Security Breach Liability Coverage** above that requires you to comply with any "breach notice laws".

III. Interrelated Events

Regardless of the number of insureds, "claims", or "suits", all "interrelated events" shall be considered a single "claim" and shall be deemed to have been made at the time the first of those "claims" is made against any insured. Only the Limit of Liability in effect on the date the first "claim" is made will apply to all "interrelated events". Only one Deductible will apply to all "interrelated events".

IV. Defense and Settlement of Claims

We will have the right and duty to defend the insured against any "claim" seeking "loss" to which this insurance applies even if the allegations of the "suit" are groundless, false or fraudulent. However, we will have no duty to defend the insured against any "claim" seeking "loss" to which this insurance does not apply. We may at our discretion:

- A. Investigate any "claim"; and
- B. Settle any "claim" which may result, provided:
 - 1. We have your written consent to settle; and
 - 2. The settlement is within the applicable Limit of Liability.

The amounts we will pay under this endorsement are limited as described in Section VI. below.

Our right and duty to defend end when we have used up the applicable Limit of Liability. Once the Limit of Liability shown in the Schedule above is exhausted, we will have no further obligation to pay "loss", "claim expense", "breach notice response services", or to undertake or continue the defense of any "claim". We will have the right to withdraw from the further defense of any "claim" under this coverage by tendering control of the defense to you. You will also be responsible for providing notification and "credit monitoring services" to "impacted individuals" and may continue to utilize any vendors recommended by us to provide such services.

V. Exclusions

The following exclusions replace and supersede those under **Section III - Exclusions** in the policy:

This insurance does not apply to any "privacy breach", "security breach", "claim" or "suit":

- A. Alleging or arising out of any willful, deliberate, malicious, fraudulent, dishonest or criminal act, error or omission by an insured, or any intentional or knowing violation of law, or intentional "security breach" or "privacy breach" by an insured. This exclusion does not apply to "claim expense" incurred in defending an insured against any such "suit", but we will have no obligation to pay any "loss" for such conduct. However, if a court of competent jurisdiction or arbitrator determines that the insured's conduct was willful, deliberate, malicious, fraudulent, dishonest or criminal, we will have the right to recover all "claim expense" we incurred to defend those insureds found to have committed such conduct.
The insured shall reimburse us for all "claim expense" incurred defending the "suit" and we shall have no further liability for "claim expense". Such conduct shall not be imputed to the Named Insured if it occurs without the participation, knowledge, consent or acquiescence of any "management personnel".
- B. Brought by an entity which:
 - 1. You own or partly own, operate, manage or in which you have an ownership interest in excess of 15%, or in which you are an officer or director, except this provision will not apply to a "suit" that employee data is the subject of a "privacy breach" or violation of a "privacy regulation"; or
 - 2. Wholly or partly owns, operates, controls or manages you.
- C. Alleging or arising out of any "bodily injury" or "property damage".
- D. Alleging or arising out of your insolvency, financial impairment or bankruptcy.
- E. Alleging or arising out of any "suit", act, error, omission, circumstance, "privacy breach", "security breach", or potential "suit" reported to a prior insurer.
- F. Alleging or arising out of any act, error, omission, circumstance, vulnerability, "privacy breach" or "security breach" if prior to the inception date of this endorsement, you knew, or reasonably could have foreseen, that such act, error, omission, circumstance, vulnerability, "privacy breach" or "security breach" might form the basis of a "claim" or potential "claim".

D. Regulatory Response And Penalties Coverage

We will pay:

(1) "Claim expenses" required to evaluate or respond to a "claim" from any state or federal regulatory agency or other government agency; and

(2) Fines or penalties imposed by law; due to or resulting from an actual or alleged "privacy breach" or "security breach"

Any "claim" under this Supplemental Coverage must first be made against you during the "policy period" or any Extended Reporting Period provided.

You agree to the use of an attorney retained by us, or hired by you with our written consent.

The most we will pay under this Supplemental Coverage is \$25,000 per "policy period"

The most we will pay under this Supplemental Coverage during any Optional Extended Reported Period provided is \$25,000.

The \$25,000 limit provided by this Supplemental Coverage is part of and not in addition to the Limit of Liability shown in the Schedule.

Part 1 under the "loss" definition does not apply to this Supplemental Coverage.

Exclusion M. does not apply to this Supplemental Coverage.

E. Payment Card Industry Fines And Penalties

We will pay for PCI fines or penalties stipulated in a written contract that you are required to pay because of your failure to comply with Payment Card Industry Data Security Standards (PCIDSS) for the handling of information in connection with payment card transactions.

Any "claim" under this Supplemental Coverage must first be made against you during the "policy period" or any Extended Reporting Period provided.

Unless a Revised Limit is shown in the Schedule, the most we will pay under this Supplemental Coverage is \$10,000 per "policy period"

Unless a Revised Limit is shown in the Schedule, the most we will pay under this Supplemental Coverage during any Optional Extended Reported Period provided is \$10,000.

The limit provided by this Supplemental Coverage is part of and not in addition to the Limit of Liability shown in the Schedule.

Any exclusion for amounts due under the terms of any contract in the Coverage Form to which this endorsement is attached does not apply to this Supplemental Coverage.

Part 1 under the "loss" definition does not apply to this Supplemental Coverage.

You agree to use due diligence to prevent and mitigate any fines or penalties covered under this Supplemental Coverage. This includes, but is not limited to, making reasonable efforts to require your vendors, financial institutions, credit or debit card companies, credit or debit card processors, or other independent operators you use to accept payment, comply with reasonable and industry-accepted standards and protocols for protecting transactions such as processing credit card, debit card and check payments.

F. RansomWare Coverage

We will provide you with "ransomware support services" if "your computer system" is held hostage by "ransomware" and you receive a ransom demand during the "policy period" or any Extended Reporting Period provided.

"Ransomware support services" means assistance provided to you if "your computer system" becomes infected with "ransomware". These services will be performed by a computer consultant who will attempt to free "your computer system" of the "ransomware" and regain access and restore system functionality. The assistance may be over the phone or in person. If it is not possible to free "your computer system" of "ransomware" the consultant can, at your request, assist you in restoring "your computer system" with a previously made backup of "your computer system", provided one is available.

"Ransomware" means any type of "malicious code" that is used to extort money by:

- a. Locking down a computer system and restricting access to it; or
- b. Encrypting some or all of a computer system's data files.

You agree to the use of a computer consultant retained by us, or hired by you with our written consent.

The most we will pay under this Supplemental Coverage is \$50,000 per "policy period"

- G. Alleging or arising out of any contractual liability or obligation, including without limitation, any liability assumed under contract, or alleging or arising out of or resulting from breach of contract or agreement, in either oral or written, including without limitation, any breach of express warranty or guarantee.
- H. Alleging or arising out of any violation, misappropriation or infringement of any copyright, trademark, patent or other intellectual property right, or any copying, infringement, misappropriation, display, disclosure, publication or misappropriation of any trade secret.
- I. Due to any actual or alleged electrical or mechanical breakdown, failure or interruption, disturbance, surge, spike, brownout or blackout; or outages to gas, water, telephone, cable satellite, telecommunications or other infrastructure comprising or supporting the Internet including service provided by the Internet service provider that hosts your website.
- J. Alleging or arising out of any fire, smoke, explosion, lightning, wind, flood, surface water, earthquake, volcanic eruption, tidal wave, landslide, hail, act of God or any other physical event, however caused.
- K. Alleging or arising out of any existence, emission or discharge of any electromagnetic field, electromagnetic radiation or electromagnetism that actually or allegedly affects the health, safety or condition of any person or the environment, or that affects the value, marketability, condition or use of any property.
- L. Alleging or arising out of any:
 - 1. War, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
 - 2. Any act of terrorism.

For the purpose of this exclusion an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

We also exclude loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to 1. and/or 2. above.

- M. Brought by or on behalf of the Federal Trade Commission, Department of Health and Human Services, Office of Civil Rights, the Federal Communications Commission, or any other state, federal, local or foreign governmental entity, in such entity's regulatory or official capacity.
- N. Alleging or arising out of any of the following:
 - 1. Trading losses, trading liabilities or change in value of accounts; any loss, transfer or theft of monies, securities or tangible property of others in your care, custody or control; or
 - 2. The monetary value of any transactions or electronic fund transfers by you or on your behalf which is lost, diminished, or damaged during transfer from, into or between accounts.
- O. Made by one insured against another insured. However, this exclusion does not apply to a "suit" brought against you by your employee resulting from a "privacy breach" that is otherwise covered under Section II.
- A. - Privacy Breach Liability Coverage** above.
- P. Alleging or arising out of any wrongful employment practice, including, but not limited to harassment, hostile work environment, wrongful dismissal, discharge or termination, retaliation, wrongful disciplinary action, deprivation of career opportunity, failure to employ or promote, inadequate work place policies or procedures, or negligent evaluation of employees. However, this exclusion does not apply to any "claim" or "suit" resulting from a "privacy breach" that is otherwise covered.
- Q. Alleging or arising out of any act, error or omission or breach of duty by any "management personnel" in the discharge of their duties if the "claim" or "suit" is brought by you or any of your principals, directors or officers, stockholders, members or employees in their capacity as such.
- R. Alleging or arising out of the:
 - 1. Unauthorized collection or acquisition of "personally identifiable information" by you, on your behalf, or with your consent or cooperation; or

The most we will pay under this Supplemental Coverage during any Optional Extended Reported Period provided is \$50,000.

The \$50,000 limit provided by this Supplemental Coverage is part of and not in addition to the Limit of Liability shown in the Schedule.

This Supplemental Coverage does not apply to payment of any ransom demand.

III. Interrelated Events

Regardless of the number of insureds, "claims", or "suits", all "interrelated events" shall be considered a single "claim" and shall be deemed to have been made at the time the first of those "claims" is made against any insured. Only the Limit of Liability in effect on the date the first "claim" is made will apply to all "interrelated events". Only one Deductible will apply to all "interrelated events".

IV. Defense and Settlement of Claims

We will have the right and duty to defend the insured against any "claim" seeking "loss" to which this insurance applies even if the allegations of the "suit" are groundless, false or fraudulent. However, we will have no duty to defend the insured against any "claim" seeking "loss" to which this insurance does not apply. We may at our discretion:

- A. Investigate any "claim"; and
- B. Settle any "claim" which may result, provided:
 - 1. We have your written consent to settle; and
 - 2. The settlement is within the applicable Limit of Liability.

The amounts we will pay under this endorsement are limited as described in Section VI. below.

Our right and duty to defend end when we have used up the applicable Limit of Liability. Once the Limit of Liability shown in the Schedule above is exhausted, we will have no further obligation to pay "loss", "claim expense", "breach notice response services", or to undertake or continue the defense of any "claim". We will have the right to withdraw from the further defense of any "claim" under this coverage by tendering control of the defense to you. You will also be responsible for providing notification and "credit monitoring services" to "impacted individuals" and may continue to utilize any vendors recommended by us to provide such services.

V. Exclusions

The following exclusions replace and supersede those under **Section III - Exclusions** in the policy:

This insurance does not apply to any "privacy breach", "security breach", "claim" or "suit":

- A. Alleging or arising out of any willful, deliberate, malicious, fraudulent, dishonest or criminal act, error or omission by an insured, or any intentional or knowing violation of law, or intentional "security breach" or "privacy breach" by an insured. This exclusion does not apply to "claim expense" incurred in defending an insured against any such "suit", but we will have no obligation to pay any "loss" for such conduct. However, if a court of competent jurisdiction or arbitrator determines that the insured's conduct was willful, deliberate, malicious, fraudulent, dishonest or criminal, we will have the right to recover all "claim expense" we incurred to defend those insureds found to have committed such conduct.
The insured shall reimburse us for all "claim expense" incurred defending the "suit" and we shall have no further liability for "claim expense". Such conduct shall not be imputed to the Named Insured if it occurs without the participation, knowledge, consent or acquiescence of any "management personnel".
- B. Brought by an entity which:
 - 1. You own or partly own, operate, manage or in which you have an ownership interest in excess of 15%, or in which you are an officer or director, except this provision will not apply to a "suit" that employee data is the subject of a "privacy breach" or violation of a "privacy regulation"; or
 - 2. Wholly or partly owns, operates, controls or manages you.
- C. Alleging or arising out of any "bodily injury" or "property damage".
- D. Alleging or arising out of your insolvency, financial impairment or bankruptcy.
- E. Alleging or arising out of any "suit", act, error, omission, circumstance, "privacy breach", "security breach", or potential "suit" reported to a prior insurer.

2. Failure to comply with a legal requirement to provide individuals with the ability to assent to or withhold assent (e.g. opt-in or opt-out) from the collection, disclosure or use of "personally identifiable information".
- S.** Alleging or arising out of the:
1. Distribution of unsolicited email, direct mail or facsimiles, wire tapping, audio or video recording, or telemarketing by you or a third party on your behalf; or
 2. Violation of any federal, state or local statute, ordinance or regulation that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.
- T.** Alleging or arising out of your activities as a trustee, partner, officer, director or employee of any employee trust, charitable organization, corporation, company or business other than the Named Insured shown in the Schedule.
- U.** Alleging or arising out of any false, deceptive or unfair trade practice or violation of any consumer protection laws.
- V.** Alleging or arising out of any of the following:
1. Any violation of the Organized Crime Control Act of 1970 (commonly known as Racketeer Influenced and Corrupt Organizations Act or RICO), as amended, or any regulation promulgated thereunder or any similar federal law or legislation, or law or legislation of any state, province or other jurisdiction similar to the foregoing, whether such law is statutory, regulatory or common law;
 2. Any violation of any securities law, regulation or legislation, including but not limited to the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Act of 1940, any state or provincial blue sky or securities law, any other federal securities law or legislation, or any other similar law or legislation of any state, province or other jurisdiction, or any amendment to the above laws, or any violation of any order, ruling or regulation issued pursuant to the above laws;
 3. Any violation of the Fair Labor Standards Act of 1938, the National Labor Relations Act, the Worker Adjustment and Retraining Act of 1988, the Certified Omnibus Budget Reconciliation Act of 1985, the Occupational Safety and Health Act of 1970,
or any similar law or legislation of any state, province or other jurisdiction, or any amendment to the above law or legislation, or any violation of any order, ruling or regulation issued pursuant to the above laws or legislation;
 4. Any breach of fiduciary duty, responsibility, or obligation in connection with any employee benefit or pension plan, including violation of the responsibilities, obligations or duties imposed upon fiduciaries by the Employee Retirement Income Security Act of 1974 as amended;
 5. Any violation of any local, state or federal laws concerning antitrust or restraint of trade, or any false, deceptive or misleading advertising, or any violation of the Sherman Antitrust Act, the Clayton Act, or the Robinson-Patman Act, as amended; or
 6. The knowing offshore movement, storage, processing or outsourcing of data to a legal jurisdiction outside of the United States and its Territories by you or a third party on your behalf.
- VI. Limit of Liability**
- A.** The Limit of Liability shown in the Schedule and the provisions below determine the most we will pay regardless of the number of:
1. Insureds;
 2. "Claims" made or "suits" brought;
 3. Persons or organizations making "claims"; or
 4. "Privacy breaches" or "security breaches".
- B.** The Limit of Liability shown in the Schedule is the most we will pay for the sum of all "loss", "claim expense"* and "breach notice response services" covered by this endorsement.
- *If the Schedule above shows that Claim Expenses are Inside The Limit of Liability.

- F. Alleging or arising out of any act, error, omission, circumstance, vulnerability, "privacy breach" or "security breach" if prior to the inception date of this endorsement, you knew, or reasonably could have foreseen, that such act, error, omission, circumstance, vulnerability, "privacy breach" or "security breach" might form the basis of a "claim" or potential "claim".
- G. Alleging or arising out of any contractual liability or obligation, including without limitation, any liability assumed under contract, or alleging or arising out of or resulting from breach of contract or agreement, in either oral or written, including without limitation, any breach of express warranty or guarantee.
- H. Alleging or arising out of any violation, misappropriation or infringement of any copyright, trademark, patent or other intellectual property right, or any copying, infringement, misappropriation, display, disclosure, publication or misappropriation of any trade secret.
- I. Due to any actual or alleged electrical or mechanical breakdown, failure or interruption, disturbance, surge, spike, brownout or blackout; or outages to gas, water, telephone, cable satellite, telecommunications or other infrastructure comprising or supporting the Internet including service provided by the Internet service provider that hosts your website.
- J. Alleging or arising out of any fire, smoke, explosion, lightning, wind, flood, surface water, earthquake, volcanic eruption, tidal wave, landslide, hail, act of God or any other physical event, however caused.
- K. Alleging or arising out of any existence, emission or discharge of any electromagnetic field, electromagnetic radiation or electromagnetism that actually or allegedly affects the health, safety or condition of any person or the environment, or that affects the value, marketability, condition or use of any property.
- L. Alleging or arising out of any:
 - 1. War, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
 - 2. Any act of terrorism.

For the purpose of this exclusion an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

We also exclude loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to 1. and/or 2. above.

- M. Brought by or on behalf of the Federal Trade Commission, Department of Health and Human Services, Office of Civil Rights, the Federal Communications Commission, or any other state, federal, local or foreign governmental entity, in such entity's regulatory or official capacity.
- N. Alleging or arising out of any of the following:
 - 1. Trading losses, trading liabilities or change in value of accounts; any loss, transfer or theft of monies, securities or tangible property of others in your care, custody or control; or
 - 2. The monetary value of any transactions or electronic fund transfers by you or on your behalf which is lost, diminished, or damaged during transfer from, into or between accounts.
- O. Made by one insured against another insured. However, this exclusion does not apply to a "suit" brought against you by your employee resulting from a "privacy breach" that is otherwise covered under Section II. **A. - Privacy Breach Liability Coverage** above.
- P. Alleging or arising out of any wrongful employment practice, including, but not limited to harassment, hostile work environment, wrongful dismissal, discharge or termination, retaliation, wrongful disciplinary action, deprivation of career opportunity, failure to employ or promote, inadequate work place policies or procedures, or negligent evaluation of employees. However, this exclusion does not apply to any "claim" or "suit" resulting from a "privacy breach" that is otherwise covered.

- C. The Limit of Liability for this coverage applies separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the "policy period" shown in the Declarations, unless the "policy period" is extended after issuance for an additional period of less than 12 months. In that case, the Limit of Liability for this coverage will be increased in proportion to any policy extension provided.
- D. The Limit of Liability applies in excess of the Deductible shown in the Schedule. The Deductible applies to payments for "loss", "claim expense"* and "breach notice response services" covered by this endorsement. We may pay any part or all of the Deductible to settle or defend a "claim" or "suit". You agree to promptly reimburse us for any payments applicable to your Deductible.

*If the Schedule above shows that Claim Expenses are Inside The Limit of Liability.

VII. Conditions

The following changes apply to the **Conditions** Section:

- A. The following replaces **Duties In The Event Of Wrongful Act, Claim Or Suit:**

Duties In The Event Of Privacy Breach, Security Breach, Claim Or Suit

- 1. You must provide written notice to us as soon as practicable of any "privacy breach", "security breach", "claim" or "suit". To the extent possible, notice should include:
 - a. The circumstances surrounding the "privacy breach" or "security breach" including how, when, and where it took place;
 - b. The names and addresses of persons involved and any witnesses;
 - c. The nature of the harm resulting from the "privacy breach" or "security breach";
 - d. The date the "claim" or "suit" was received; and
 - e. An indication of the number of individuals that may be impacted, the type of information involved, and the actions taken to mitigate or contain the "loss", "privacy breach" or "security breach".

- 2. You and any other involved insured must:
 - a. Authorize us to obtain records and other information;
 - b. Cooperate with us in the investigation, settlement or defense of the "claim", "suit", "privacy breach" or "security breach";
 - c. Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to an insured because of "loss" to which this insurance may also apply; and
 - d. Provide us with a copy of or link to your relevant "privacy policy" and information security policy if applicable.
- 3. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.
- 4. It is a condition precedent to coverage under this endorsement that you obtain our written consent before you admit liability, make any payment, assume any obligation, incur any expense, enter into any settlement, stipulate to any judgment or award, agreement or other means of disposing of any "claim" or any portion of any "claim".
- B. The following Conditions are added:
 - 1. **Computer System Protection**
 - a. It is a condition precedent to coverage under this endorsement that at all times during the "policy period" you or your independent contractor shall:
 - (1) Maintain anti-virus software on any computer that is part of "your computer system" and update the protection ~~at regular intervals but no less than at least once every 30 days;~~
 - (2) Maintain firewalls on any computer that is part of "your computer system" and connected to the internet; and
 - (3) Take reasonable security precautions when processing, storing, or transmitting credit card payment data or "personally identifiable information".

- Q.** Alleging or arising out of any act, error or omission or breach of duty by any "management personnel" in the discharge of their duties if the "claim" or "suit" is brought by you or any of your principals, directors or officers, stockholders, members or employees in their capacity as such.
- R.** Alleging or arising out of the:
1. Unauthorized collection or acquisition of "personally identifiable information" by you, on your behalf, or with your consent or cooperation; or
 2. Failure to comply with a legal requirement to provide individuals with the ability to assent to or withhold assent (e.g. opt-in or opt-out) from the collection, disclosure or use of "personally identifiable information".
- S.** Alleging or arising out of the:
1. Distribution of unsolicited email, direct mail or facsimiles, wire tapping, audio or video recording, or telemarketing by you or a third party on your behalf; or
 2. Violation of any federal, state or local statute, ordinance or regulation that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.
- T.** Alleging or arising out of your activities as a trustee, partner, officer, director or employee of any employee trust, charitable organization, corporation, company or business other than the Named Insured shown in the Schedule.
- U.** Alleging or arising out of any false, deceptive or unfair trade practice or violation of any consumer protection laws.
- V.** Alleging or arising out of any of the following:
1. Any violation of the Organized Crime Control Act of 1970 (commonly known as Racketeer Influenced and Corrupt Organizations Act or RICO), as amended, or any regulation promulgated thereunder or any similar federal law or legislation, or law or legislation of any state, province or other jurisdiction similar to the foregoing, whether such law is statutory, regulatory or common law;
 2. Any violation of any securities law, regulation or legislation, including but not limited to the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Act of 1940, any state or provincial blue sky or securities law, any other federal securities law or legislation, or any other similar law or legislation of any state, province or other jurisdiction, or any amendment to the above laws, or any violation of any order, ruling or regulation issued pursuant to the above laws;
 3. Any violation of the Fair Labor Standards Act of 1938, the National Labor Relations Act, the Worker Adjustment and Retraining Act of 1988, the Certified Omnibus Budget Reconciliation Act of 1985, the Occupational Safety and Health Act of 1970, or any similar law or legislation of any state, province or other jurisdiction, or any amendment to the above law or legislation, or any violation of any order, ruling or regulation issued pursuant to the above laws or legislation;
 4. Any breach of fiduciary duty, responsibility, or obligation in connection with any employee benefit or pension plan, including violation of the responsibilities, obligations or duties imposed upon fiduciaries by the Employee Retirement Income Security Act of 1974 as amended;
 5. Any violation of any local, state or federal laws concerning antitrust or restraint of trade, or any false, deceptive or misleading advertising, or any violation of the Sherman Antitrust Act, the Clayton Act, or the Robinson-Patman Act, as amended; or
 6. The knowing offshore movement, storage, processing or outsourcing of data to a legal jurisdiction outside of the United States and its Territories by you or a third party on your behalf.

VI. Limit of Liability

- A.** The Limit of Liability shown in the Schedule and the provisions below determine the most we will pay regardless of the number of:
1. Insureds;
 2. "Claims" made or "suits" brought;
 3. Persons or organizations making "claims"; or
 4. "Privacy breaches" or "security breaches".

- b. It is a condition precedent to coverage under this endorsement for any "mobile storage device" that the "mobile storage device" is subject to regular strong encryption processes and protected by reasonable access controls to prevent unauthorized access to such hardware.

2. Reimbursement

In the event of a determination that there is no coverage under this endorsement, you agree to reimburse us for any and all "loss" and "claim expense" that we paid for any "suit" or portion of "suit" that was determined not to be covered.

VIII. Additional Services

The following **Additional Services** are available to you and do not affect the Limit of Liability:

A. Privacy Breach Management Services

In the event of a possible or actual "privacy breach" that may require you to comply with any "breach notice laws", we will provide you with "privacy breach management services" performed by the breach services consultants of our choice. The possible or actual "privacy breach" must be reported to us within ten (10) days of suspicion of or actual discovery of facts revealing a potential or actual "privacy breach" has occurred.

"Privacy breach management services" are available as needed for any one "privacy breach" for up to 12 consecutive months from the inception of the service. "Privacy breach management services" are available to you regardless of whether or not you have actually suffered a "privacy breach" and whether or not an actual "suit" under this endorsement results.

B. Identity Restoration Case Management Services

In the event of a "privacy breach" that requires you to comply with any "breach notice laws", we will provide "identity restoration case management services" performed by a Fraud Specialist.

"Identity restoration case management services" are available so long as any "identity fraud" related activity is first discovered by the "impacted individual" following a "covered event" under this endorsement.

"Identity restoration case management services" are available as needed for any "identity fraud" for up to 12 consecutive months from the inception of the service.

"Identity restoration case management services" are provided without regard to whether the person or persons committing the "identity fraud" are identified so long as the "impacted individual" is willing to complete a fraud victim affidavit and file a police report or incident report concerning the "identity fraud".

C. Service Definitions

1. "Account takeover" means the takeover by a third party of one or more existing deposit accounts, credit card accounts, debit card accounts, ATM cards, or lines of credit in the name of an "impacted individual".
2. "Fraud specialist" means an expert who will assist in resolving the fraudulent use, or suspected fraudulent use, of personal information and to restore it to pre-incident status to the extent possible and feasible under the law. This assistance may include contacting credit reporting agencies, credit grantors, collection agencies and government agencies or other activities needed to restore the identity information of the "impacted individual".
3. "Identity fraud" means and includes any fraudulent activity associated with an "account takeover" or "identity theft" suffered by an "impacted individual".
4. "Identity restoration case management services" means assistance to an "impacted individual" by a "fraud specialist" who will work on a one-on-one basis and provide help and guidance specific to the "impacted individual's" classification as an account takeover or identity theft victim.
5. "Identity theft" means a fraud committed or attempted by a third party using the identifying information of another person without authority and resulting in the creation of one or more new accounts, or a new identity in public records (such as a driver's license) or elsewhere.
6. "Privacy breach management services" means those services provided to you including:

- B.** The Limit of Liability shown in the Schedule is the most we will pay for the sum of all "loss", "claim expense"* and "breach notice response services" covered by this endorsement.

*If the Schedule above shows that Claim Expenses are Inside The Limit of Liability.

- C.** The Limit of Liability for this coverage applies separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the "policy period" shown in the Declarations, unless the "policy period" is extended after issuance for an additional period of less than 12 months. In that case, the Limit of Liability for this coverage will be increased in proportion to any policy extension provided.

- D.** The Limit of Liability applies in excess of the Deductible shown in the Schedule. The Deductible applies to payments for "loss", "claim expense"* and "breach notice response services" covered by this endorsement. We may pay any part or all of the Deductible to settle or defend a "claim" or "suit". You agree to promptly reimburse us for any payments applicable to your Deductible.

*If the Schedule above shows that Claim Expenses are Inside The Limit of Liability.

VII. Conditions

The following changes apply to the **Conditions** Section:

- A.** The following replaces **Duties In The Event Of Wrongful Act, Claim Or Suit:**

Duties In The Event Of Privacy Breach, Security Breach, Claim Or Suit

1. You must provide written notice to us as soon as practicable of any "privacy breach", "security breach", "claim" or "suit". To the extent possible, notice should include:
 - a. The circumstances surrounding the "privacy breach" or "security breach" including how, when, and where it took place;
 - b. The names and addresses of persons involved and any witnesses;
 - c. The nature of the harm resulting from the "privacy breach" or "security breach";
 - d. The date the "claim" or "suit" was received; and

- e. An indication of the number of individuals that may be impacted, the type of information involved, and the actions taken to mitigate or contain the "loss", "privacy breach" or "security breach".

- 2.** You and any other involved insured must:

- a. Authorize us to obtain records and other information;
- b. Cooperate with us in the investigation, settlement or defense of the "claim", "suit", "privacy breach" or "security breach";
- c. Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to an insured because of "loss" to which this insurance may also apply; and
- d. Provide us with a copy of or link to your relevant "privacy policy" and information security policy if applicable.

- 3.** No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.

- 4.** It is a condition precedent to coverage under this endorsement that you obtain our written consent before you admit liability, make any payment, assume any obligation, incur any expense, enter into any settlement, stipulate to any judgment or award, agreement or other means of disposing of any "claim" or any portion of any "claim".

- B.** The following Conditions are added:

1. Computer System Protection

- a. It is a condition precedent to coverage under this endorsement that at all times during the "policy period" you or your independent contractor shall:
 - (1) Maintain anti-virus software on any computer that is part of "your computer system" and regularly update the protection as reasonably necessary;
 - (2) Maintain firewalls on any computer that is part of "your computer system" and connected to the internet; and

- a. **Proactive Breach Preparation Services** - Tools, educational material or information that can be used to instruct staff and prevent and prepare for a "privacy breach".
- b. **Reactive Breach Response Services** - We will assist you with the handling and management of a "privacy breach". Such assistance may include guidance about best practices, documentation, or the overall process of responding to the "privacy breach". We may also assign breach services consultants to work directly with your breach management team, management or legal counsel.
- c. **Computer and Network Forensic Evaluation Consulting Services** - We will provide general consulting on technical aspects of the "privacy breach" including assistance with determining if and what type of specific computer and network forensics you should undertake.
Computer and Network Forensic Evaluation Consulting Services does not include the actual performance of digital forensic services on "your computer systems" or networks and do not include suggestions or consulting regarding corrective actions to be taken by you to address inadequacies in "your computer system's" or network's security.

IX. Definitions

The following changes apply to Section I - Definitions:

- A. "Claim expense" is replaced by the following:
"Claim expense" means only those reasonable legal fees, costs or expenses incurred by us or you with our prior written consent, to defend or investigate a "claim" or "suit". "Claim expense" does not include any salaries, overhead, lost productivity, or other internal costs, expenses or charges you incur; costs or expenses for mitigation of a "privacy breach" or "security breach"; the costs or expenses for or arising out of any security or privacy measures, controls, policies, procedures, assessments or audits; or the costs or expenses of any investigation of or compliance with any "breach notice law".
- B. "Loss" is replaced by the following:
"Loss" means any amount which an insured becomes legally obligated to pay as compensatory damages arising out of any "claim" to which this insurance applies and shall include judgments and settlements. "Loss" shall not include:
 - 1. Fines or penalties imposed by law;
 - 2. Taxes;
 - 3. Punitive or exemplary damages or any damages that are multiples of any other damages assessed against an insured;
 - 4. Equitable relief, injunctive relief, declarative relief or any other relief or recovery other than monetary amounts; or
 - 5. Matters which may be deemed uninsurable under the law pursuant to which the policy shall be construed.
- C. The following definitions are added:
 - 1. "Breach notice legal and forensic expenses" means:
 - a. Fees incurred for the services of a third party computer forensics professional to conduct an investigation to identify whether data containing "personally identifiable information" was accessed by an unauthorized person as a result of a covered "privacy breach"; and
 - b. Attorney fees for an outside attorney to determine whether any "breach notice laws" apply and the obligations of such applicable laws, and assist you to comply with such laws, including but not limited to drafting notice letters to "impacted individuals".
 - 2. "Breach notice law" means any governmental statute or regulation that requires an organization to provide notice to those individuals whose "personally identifiable information" was actually, or was reasonably believed to have been, accessed by an unauthorized third party.
 - 3. "Breach notice response services" means any of the following expenses incurred by us, or by you with our prior written consent, with respect to "impacted individuals":
 - a. "Breach notice legal and forensic expenses";
 - b. "Notice fulfillment services"; and
 - c. "Credit monitoring services".

- (3) Take reasonable security precautions when processing, storing, or transmitting credit card payment data or "personally identifiable information".

- b. It is a condition precedent to coverage under this endorsement for any "mobile storage device" that the "mobile storage device" is subject to regular strong encryption processes and protected by reasonable access controls to prevent unauthorized access to such hardware.

2. Reimbursement

In the event of a determination that there is no coverage under this endorsement, you agree to reimburse us for any and all "loss" and "claim expense" that we paid for any "suit" or portion of "suit" that was determined not to be covered.

VIII. Additional Services

The following **Additional Services** are available to you and do not affect the Limit of Liability:

A. Privacy Breach Management Services

In the event of a possible or actual "privacy breach" that may require you to comply with any "breach notice laws", we will provide you with "privacy breach management services" performed by the breach services consultants of our choice. The possible or actual "privacy breach" must be reported to us within ten (10) days of suspicion of or actual discovery of facts revealing a potential or actual "privacy breach" has occurred.

"Privacy breach management services" are available as needed for any one "privacy breach" for up to 12 consecutive months from the inception of the service. "Privacy breach management services" are available to you regardless of whether or not you have actually suffered a "privacy breach" and whether or not an actual "suit" under this endorsement results.

B. Identity Restoration Case Management Services

In the event of a "privacy breach" that requires you to comply with any "breach notice laws", we will provide "identity restoration case management services" performed by a Fraud Specialist.

"Identity restoration case management services" are available so long as any "identity fraud" related activity is first discovered by the "impacted individual" following a "covered event" under this endorsement.

"Identity restoration case management services" are available as needed for any "identity fraud" for up to 12 consecutive months from the inception of the service.

"Identity restoration case management services" are provided without regard to whether the person or persons committing the "identity fraud" are identified so long as the "impacted individual" is willing to complete a fraud victim affidavit and file a police report or incident report concerning the "identity fraud".

C. Service Definitions

1. "Account takeover" means the takeover by a third party of one or more existing deposit accounts, credit card accounts, debit card accounts, ATM cards, or lines of credit in the name of an "impacted individual".
2. "Fraud specialist" means an expert who will assist in resolving the fraudulent use, or suspected fraudulent use, of personal information and to restore it to pre-incident status to the extent possible and feasible under the law. This assistance may include contacting credit reporting agencies, credit grantors, collection agencies and government agencies or other activities needed to restore the identity information of the "impacted individual".
3. "Identity fraud" means and includes any fraudulent activity associated with an "account takeover" or "identity theft" suffered by an "impacted individual".
4. "Identity restoration case management services" means assistance to an "impacted individual" by a "fraud specialist" who will work on a one-on-one basis and provide help and guidance specific to the "impacted individual's" classification as an account takeover or identity theft victim.
5. "Identity theft" means a fraud committed or attempted by a third party using the identifying information of another person without authority and resulting in the creation of one or more new accounts, or a new identity in public records (such as a driver's license) or elsewhere.

4. "Covered event" means any of the following:
 - a. Unauthorized access to, or unauthorized use of, "your computer system";
 - b. Physical theft or loss of a "data storage device" that results in unauthorized access to "personally identifiable information", including a "data storage device" that is a laptop computer;
 - c. Transmission of "malicious code" from "your computer system" to a third party's computer system;
 - d. "Denial of service attack" targeted at "your computer system" or launched from "your computer system" against a third party's computer system; or
 - e. An intentional and malicious theft, copying, alteration, destruction, deletion or damage to data stored on or transmitted within "your computer system", including without limitation "personally identifiable information" stored electronically on "your computer system".
5. "Credit monitoring services" means twelve (12) months of "credit monitoring services" provided to each "impacted individual", but only if such individual actually enrolls for and redeems such services. This endorsement does not cover any expenses related to or arising out of "credit monitoring services" where an "impacted individual" has not enrolled for and redeemed such services. "Credit monitoring services" notify an affected individual by e-mail when there is any change or suspicious activity on a credit record on file with a credit reporting agency.
6. "Data storage device" means any:
 - a. "Mobile storage device"; or
 - b. Computer hardware on which "personally identifiable information" is stored that is not a "mobile storage device", and that is protected by reasonable access controls to prevent unauthorized access to such hardware, including without limitation internal ~~hard drives~~, desktop computers, back-up tapes and servers.
- "Data storage device" however does not mean or include any phone devices (including without limitation any smart phone) or any device or equipment leased to you or leased or sold by you.
7. "Denial of service attack" means an intentional and malicious attack by a third party intended by such to block or prevent access to a computer system.
8. "Impacted individual" means an individual whose "personally identifiable information" was compromised as a result of a "privacy breach".
9. "Interrelated events" means "claims" for "privacy breaches" or "security breaches" which arise out of and have as a common basis:
 - a. Related circumstances, situations, events, transactions or facts;
 - b. A series of related circumstances, situations, events, transactions or facts; or
 - c. A common pattern of conduct.
10. "Malicious code" means any virus, Trojan, worm or other similar malicious software program, code or script (including without limitation any of the foregoing that are specifically targeted or generally targeted at multiple computers or networks) intentionally designed to infect and harm a computer system, harm data on a computer system, or steal data from a computer system.
11. "Management personnel" means your officers, directors, risk managers, partners, managing members of an LLC, or staff attorney (including without limitation any CIO, CSO, CEO, COO, GC, CISO, or CFO), or any individual in a substantially similar position, or having substantially similar responsibilities, as the foregoing, irrespective of the exact title.
12. "Mobile storage device" means any laptop computer, external hard-drive, thumb-drive, non-phone PDAs or flash storage device on which "personally identifiable information" is stored.
13. "Notice fulfillment services" means fulfillment services to provide notice to "impacted individuals" as required under applicable "breach notice laws", including printing services, email notice, media notice, mailing services and postage.

6. "Privacy breach management services" means those services provided to you including:

- a. **Proactive Breach Preparation Services** - Tools, educational material or information that can be used to instruct staff and prevent and prepare for a "privacy breach".
- b. **Reactive Breach Response Services** - We will assist you with the handling and management of a "privacy breach". Such assistance may include guidance about best practices, documentation, or the overall process of responding to the "privacy breach". We may also assign breach services consultants to work directly with your breach management team, management or legal counsel.
- c. **Computer and Network Forensic Evaluation Consulting Services** - We will provide general consulting on technical aspects of the "privacy breach" including assistance with determining if and what type of specific computer and network forensics you should undertake.
Computer and Network Forensic Evaluation Consulting Services does not include the actual performance of digital forensic services on "your computer systems" or networks and do not include suggestions or consulting regarding corrective actions to be taken by you to address inadequacies in "your computer system's" or network's security.

IX. Definitions

The following changes apply to Section I - Definitions:

- A. "Claim expense" is replaced by the following:
"Claim expense" means only those reasonable legal fees, costs or expenses incurred by us or you with our prior written consent, to defend or investigate a "claim" or "suit". "Claim expense" does not include any salaries, overhead, lost productivity, or other internal costs, expenses or charges you incur; costs or expenses for mitigation of a "privacy breach" or "security breach"; the costs or expenses for or arising out of any security or privacy measures, controls, policies, procedures, assessments or audits; or the costs or expenses of any investigation of or compliance with any "breach notice law".

- B. "Loss" is replaced by the following:

"Loss" means any amount which an insured becomes legally obligated to pay as compensatory damages arising out of any "claim" to which this insurance applies and shall include judgments and settlements. "Loss" shall not include:

1. Fines or penalties imposed by law;
2. Taxes;
3. Punitive or exemplary damages or any damages that are multiples of any other damages assessed against an insured;
4. Equitable relief, injunctive relief, declarative relief or any other relief or recovery other than monetary amounts; or
5. Matters which may be deemed uninsurable under the law pursuant to which the policy shall be construed.

- C. The following definitions are added:

1. "Breach notice legal and forensic expenses" means:
 - a. Fees incurred for the services of a third party computer forensics professional to conduct an investigation to identify whether data containing "personally identifiable information" was accessed by an unauthorized person as a result of a covered "privacy breach"; and
 - b. Attorney fees for an outside attorney to determine whether any "breach notice laws" apply and the obligations of such applicable laws, and assist you to comply with such laws, including but not limited to drafting notice letters to "impacted individuals".
2. "Breach notice law" means any governmental statute or regulation that requires an organization to provide notice to those individuals whose "personally identifiable information" was actually, or was reasonably believed to have been, accessed by an unauthorized third party.
3. "Breach notice response services" means any of the following expenses incurred by us, or by you with our prior written consent, with respect to "impacted individuals":
 - a. "Breach notice legal and forensic expenses";
 - b. "Notice fulfillment services"; and
 - c. "Credit monitoring services".

14. "Personally identifiable information" means any of the following ~~information in your care, custody and control, in electronic form or paper media:~~
- A person's first and last name, or first initial and last name in combination with: social security number, passport number or any other national identification number; ~~drivers~~ license number or any other state identification number; medical or healthcare data including protected health information; or any account number, credit or debit card number in combination with any required password or security code that would permit access to the financial account;
 - Non-public personal information as defined in any "privacy regulation"; or
 - An Internet Protocol (IP) address where utilizing reasonable knowledge means you can identify a specific individual with such IP address.
15. "Privacy breach" means any of the following:
- Theft or loss of "personally identifiable information"; or
 - Your negligent failure to comply with that portion of your "privacy policy" explicitly:
 - Allowing a person to access or correct his or her "personally identifiable information"; or
 - Requiring the destruction or deletion of "personally identifiable information";
 provided, however, that at the time of such failure you must have had in force an existing "privacy policy" addressing such issues described in (1) and (2) above.
16. "Privacy policy" means your written and publicly disclosed policies identifying your practices for the collection, use, disclosure, sharing, allowing of access to, and correction of "personally identifiable information".
17. "Privacy regulation" means any statute or regulation addressing the control, use or protection of "personally identifiable information".
18. "Security breach" means the inability and failure of your existing technical or physical security measures of "your computer system" to prevent unauthorized access to or unauthorized use of "your computer system".
19. "Your computer system" means any computer hardware, software or firmware, and components thereof including data stored thereon, that is:
- Owned and which is under your direct operational control; or
 - Under the direct operational control of an independent contractor that provides services on your ~~behalf to your clients or customers; provided that such independent contractor~~ has agreed pursuant to a written contract with you to fully indemnify you for any claims, loss and costs arising out of any unauthorized access or use of such computer hardware, software or firmware, components and data.

4. "Covered event" means any of the following:
 - a. Unauthorized access to, or unauthorized use of, "your computer system";
 - b. Physical theft or loss of a "data storage device" that results in unauthorized access to "personally identifiable information", including a "data storage device" that is a laptop computer;
 - c. Transmission of "malicious code" from "your computer system" to a third party's computer system;
 - d. "Denial of service attack" targeted at "your computer system" or launched from "your computer system" against a third party's computer system; or
 - e. An intentional and malicious theft, copying, alteration, destruction, deletion or damage to data stored on or transmitted within "your computer system", including without limitation "personally identifiable information" stored electronically on "your computer system".
5. "Credit monitoring services" means twelve (12) months of "credit monitoring services" provided to each "impacted individual", but only if such individual actually enrolls for and redeems such services. This endorsement does not cover any expenses related to or arising out of "credit monitoring services" where an "impacted individual" has not enrolled for and redeemed such services. "Credit monitoring services" notify an affected individual by e-mail when there is any change or suspicious activity on a credit record on file with a credit reporting agency.
6. "Data storage device" means any:
 - a. "Mobile storage device"; or
 - b. Computer hardware on which "personally identifiable information" is stored that is not a "mobile storage device", and that is protected by reasonable access controls to prevent unauthorized access to such hardware, including without limitation internal hard-drives, desktop computers, back-up tapes and servers.
- "Data storage device" however does not mean or include any phone devices (including without limitation any smart phone) or any device or equipment leased to you or leased or sold by you.
7. "Denial of service attack" means an intentional and malicious attack by a third party intended by such to block or prevent access to a computer system.
8. "Impacted individual" means an individual whose "personally identifiable information" was compromised as a result of a "privacy breach".
9. "Interrelated events" means "claims" for "privacy breaches" or "security breaches" which arise out of and have as a common basis:
 - a. Related circumstances, situations, events, transactions or facts;
 - b. A series of related circumstances, situations, events, transactions or facts; or
 - c. A common pattern of conduct.
10. "Malicious code" means any virus, Trojan, worm or other similar malicious software program, code or script (including without limitation any of the foregoing that are specifically targeted or generally targeted at multiple computers or networks) intentionally designed to infect and harm a computer system, harm data on a computer system, or steal data from a computer system.
11. "Management personnel" means your officers, directors, risk managers, partners, managing members of an LLC, or staff attorney (including without limitation any CIO, CSO, CEO, COO, GC, CISO, or CFO), or any individual in a substantially similar position, or having substantially similar responsibilities, as the foregoing, irrespective of the exact title.
12. "Mobile storage device" means any laptop computer, external hard-drive, thumb-drive, non-phone PDAs or flash storage device on which "personally identifiable information" is stored.
13. "Notice fulfillment services" means fulfillment services to provide notice to "impacted individuals" as required under applicable "breach notice laws", including printing services, email notice, media notice, mailing services and postage.

14. "Personally identifiable information" means any of the following information, in electronic form or paper media in your care, custody or control, or the care, custody or control of a third party that provides services on your behalf pursuant to a written agreement which fully indemnifies you for any claims, loss and costs arising out of any unauthorized access or use of such information:
- a. A person's first and last name, or first initial and last name in combination with: social security number, passport number or any other national identification number; driver's license number or any other state identification number; medical or healthcare data including protected health information; or any account number, credit or debit card number in combination with any required password or security code that would permit access to the financial account;
 - b. Non-public personal information as defined in any "privacy regulation"; or
 - c. An Internet Protocol (IP) address where utilizing reasonable knowledge means you can identify a specific individual with such IP address.
15. "Privacy breach" means any of the following:
- a. Theft or loss of "personally identifiable information"; or
 - b. Your negligent failure to comply with that portion of your "privacy policy" explicitly:
 - (1) Allowing a person to access or correct his or her "personally identifiable information"; or
 - (2) Requiring the destruction or deletion of "personally identifiable information";
 provided, however, that at the time of such failure you must have had in force an existing "privacy policy" addressing such issues described in (1) and (2) above.
16. "Privacy policy" means your written and publicly disclosed policies identifying your practices for the collection, use, disclosure, sharing, allowing of access to, and correction of "personally identifiable information".
17. "Privacy regulation" means any statute or regulation addressing the control, use or protection of "personally identifiable information".
18. "Security breach" means the inability and failure of your existing technical or physical security measures of "your computer system" to prevent unauthorized access to or unauthorized use of "your computer system".
19. "Your computer system" means any computer hardware, software or firmware, and components thereof including data stored thereon, that is:
- a. Owned or leased by you and which is under your direct operational control; or
 - b. Under the direct operational control of an independent contractor or other third party that provides services on your behalf; provided that such independent contractor or other third party has agreed pursuant to a written contract with you to fully indemnify you for any claims, loss and costs arising out of any unauthorized access or use of such computer hardware, software or firmware, components and data. "Your computer system" does not include any cloud service provider or any data stored in or controlled in whole or in part by any cloud service provider.

EXHIBIT 18

With this filing we are revising our Cybersurance - Privacy And Security Breach Coverage for our Insurance Agents and Brokers Errors and Omissions Program/Protector Insurance Agents and Brokers Errors and Omissions Program.

The following changes have been made to the Cybersurance offering:

- Added additional Cybersurance limit options
- Amending our existing rates
- Introducing rates for higher employee counts
- Introducing rates for higher limits
- Introducing optional limits for the Payment Card Industry Fines and Penalties coverage
- Introducing Ransomware Coverage embedded within the endorsement

Instructions for Completing the Prior Approval Rate Application

Note: For information on populating the application in its entirety, including the Prior Approval Rate Application, Prior Approval Rate Template and Standard Exhibits Template, refer to the complete Prior Approval Rate Filing Instructions posted in PDF format on the CDI website, below:

<http://www.insurance.ca.gov/0250-insurers/0800-rate-filings/>

1) Enter general filing characteristics associated with this application as well as company-specific information on the "1.General" page. Areas of insurer input are generally identified with **blue font text** and/or light blue outlined boxes. If this filing contains group data, select the appropriate indicator on the "1.General" page. The "2.Group" page will automatically unhide to allow for the identification of each company to which this filing applies.

2) Enter the type of filing to which this application applies. Complete all exhibits and Prior Approval Rate Application pages required for the designated type of filing on the "3.Filing Type and Checklist" page, *in addition to the Prior Approval Rate Template and Standard Exhibits Template, where applicable*. Refer to the Prior Approval Filing Instructions for more information.

3) On the "6.Program Detail" page, provide premium, loss and DCCE information for the entire line of business as shown in your company's Annual Statement as well as for each separate program that comprises your company's line of business. Programs with less than \$25M in premium each can be combined into one entry. The total of all programs must reconcile to the total Annual Statement line of business for each year provided. Click the "Add 5 Programs" button if additional programs are required. If filing to be submitted is a group filing, populate the page with group data.

4) If this filing includes a variance request, select the appropriate indicator on the "1.General" page. The "11.Variance Request" page will automatically unhide to allow for the identification and impact of each variance being requested. Final decisions regarding variances will be made by the CDI and/or administrative hearing.

PRIOR APPROVAL RATE APPLICATION FOR PROPERTY & LIABILITY LINES GENERAL INFORMATION

Completed by: Kathleen McSweeney Date: 07/06/20

Your File #: UTCX-132418203
(15 Character Maximum)

Filing Characteristics

Does this filing include a variance request? N (Page 11 hidden)

If yes,

Is this a variance request submitted after the prior
approval application to which it applies? N

Provide the applicable CDI File #:

Is this a group filing? If yes, complete Page 2. Y

Is this a specialty filing? N

Line Type: Commercial

General Line : Other Liability

Subline: Professional Errors an omissions Liability

Program: Errors and Omissions

Provide the most recent applicable CDI file # in this line,
subline and/or program: 14-2194; 14-2195

Company Information

Company Name: Graphic Arts Mutual Insurance Company

Group Name: Utica National Insurance Group

NAIC Company Code: 25984

NAIC Group Code: 201

Organized under the laws of the State of: New York

Home Office: 180 Genesee Street New Hartford, NY 13413

Contact Name/Title: Kathleen M. McSweeney, Senior State Filings Coordinator

Toll Free Phone #: 1800-598-8422 Est. 7342169 Fax #:

Email Address: kathleen.mcsweeney@uticanational.com

Mailing Address: 180 Genesee Street New Hartford, NY 13413

I declare under penalty of perjury under the laws of the State of California, that the information filed is true, complete, and correct, and that price optimization methods or models have not been used in the development of the final rates for any segment of the filed rating plan.

Kathleen M. McSweeney
Authorized Signature

July 6, 2020
Date of Filing

800-598-8422 Ext. 7342169
Telephone #

Refer to CDI website below for the most current rate template and prior approval factors:

<http://www.insurance.ca.gov/0250-insurers/0800-rate-filings/>

DEPARTMENT USE ONLY

CDI File #:

SERFF #:

Filed Date:

Compliance Date:

Public Notice Date:

Deemer Date:

Intake Analyst:

Bureau/Senior:

Group Filing?: ☒ Yes ☐ No

X-Reference #:

Filing Type: ☒ Rate ☒ Rule

☒ Form ☐ Variance

☐ New Program

% Change:

INSURER GROUP INFORMATION

For private passenger auto insurance only, does CIC, §1861.16(c) apply?

N

If yes, complete Exhibit 17 (Super Group).

Is the data from all companies listed below used in the support of this rate application?

Y

If no, please provide an explanation for the differences in the Filing Memorandum.

2
1

List each insurance company included in the group to which this application applies.

Company Name:	<input type="text" value="Graphic Arts Mutual Insurance Company"/>	CDI Filing #:	<input type="text"/>
			(Department Use Only)
NAIC Company Code:	<input type="text" value="25984"/>		
Proposed Rate Impact:	<input type="text" value="N/A"/>		

Company Name:	<input type="text" value="Utica Mutual Insurance Company"/>	CDI Filing #:	<input type="text"/>
			(Department Use Only)
NAIC Company Code:	<input type="text" value="25976"/>		
Proposed Rate Impact:	<input type="text" value="N/A"/>		

Company Name:	<input type="text"/>	CDI Filing #:	<input type="text"/>
			(Department Use Only)
NAIC Company Code:	<input type="text"/>		

Company Name:	<input type="text"/>	CDI Filing #:	<input type="text"/>
			(Department Use Only)
NAIC Company Code:	<input type="text"/>		

Company Name:	<input type="text"/>	CDI Filing #:	<input type="text"/>
			(Department Use Only)
NAIC Company Code:	<input type="text"/>		

Company Name:	<input type="text"/>	CDI Filing #:	<input type="text"/>
			(Department Use Only)
NAIC Company Code:	<input type="text"/>		

Company Name:	<input type="text"/>	CDI Filing #:	<input type="text"/>
			(Department Use Only)
NAIC Company Code:	<input type="text"/>		

Company Name:	<input type="text"/>	CDI Filing #:	<input type="text"/>
			(Department Use Only)
NAIC Company Code:	<input type="text"/>		

Company Name:	<input type="text"/>	CDI Filing #:	<input type="text"/>
			(Department Use Only)
NAIC Company Code:	<input type="text"/>		

Company Name:	<input type="text"/>	CDI Filing #:	<input type="text"/>
			(Department Use Only)
NAIC Company Code:	<input type="text"/>		

¹ The proposed impact for each individual company should be based on that company's premium distribution and will not necessarily equal the total rate impact shown on Prior Approval Rate Application Page 4.

FILING TYPE

Complete the following questions in order to generate the filing checklist:

1. Is this a New Program filing?
2. Is this a Rate filing?
3. Does this filing propose any changes to Rule(s)?
- 3.a. Do the Rule change(s) have a rate impact?
4. Does this filing propose any changes to Form(s)?
- 4.a. Do the Form change(s) have a rate impact?
5. Does this filing include a request(s) for Variance?

N
Y
Y
N
Y
N
N

Question 3: Rule change(s) include new rule(s) and changes to existing rule(s).

Question 4: Form change(s) include new, withdrawn or replacement form(s).

FILING CHECKLIST

Use this checklist to assemble a complete application:

PDF	Excel	Prior Approval Rate Application
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	General Information, Page 1
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Insurer Group Information, Page 2
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Filing Type and Checklist, Page 3
<input type="checkbox"/>	<input type="checkbox"/>	Proposed Impact, Page 4
<input type="checkbox"/>	<input type="checkbox"/>	Reconciliation of Direct Earned Premium to Statutory Data, Page 5
<input type="checkbox"/>	<input type="checkbox"/>	Program Detail, Page 6
<input type="checkbox"/>	<input type="checkbox"/>	Additional Calendar Year Data Required by Statute, Page 7
<input type="checkbox"/>	<input type="checkbox"/>	Miscellaneous Fees and Other Charges, Page 8
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Forms, Page 9
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Rules and Underwriting Guidelines, Page 10
		Supporting Exhibits
<input type="checkbox"/>		Exhibit 1 - Filing History
<input type="checkbox"/>	<input type="checkbox"/>	Exhibit 2 - Rate Level History
<input type="checkbox"/>	<input type="checkbox"/>	Exhibit 3 - Policy Term Distribution
<input type="checkbox"/>	<input type="checkbox"/>	Exhibit 4 - Premium Adjustment Factor
<input type="checkbox"/>	<input type="checkbox"/>	Exhibit 5 - Premium Trend Factor
<input type="checkbox"/>	<input type="checkbox"/>	Exhibit 6 - Miscellaneous Fees and Other Charges
<input type="checkbox"/>	<input type="checkbox"/>	Exhibit 7 - Loss and Defense & Cost Containment Expense (DCCE) Development Factors
<input type="checkbox"/>	<input type="checkbox"/>	Exhibit 8 - Loss and DCCE Trend
<input type="checkbox"/>	<input type="checkbox"/>	Exhibit 9 - Catastrophe Adjustment
<input type="checkbox"/>	<input type="checkbox"/>	Exhibit 10 - Credibility Adjustment
<input type="checkbox"/>	<input type="checkbox"/>	Exhibit 11 - Ancillary Income
<input type="checkbox"/>	<input type="checkbox"/>	Exhibit 12 - Reinsurance Premium and Recoverables
<input type="checkbox"/>	<input type="checkbox"/>	Exhibit 14 - Rate Distribution
<input type="checkbox"/>	<input type="checkbox"/>	Exhibit 15 - Rate Classification Relativities
<input checked="" type="checkbox"/>		Exhibit 18 - Rules and Underwriting Guidelines
<input type="checkbox"/>	<input type="checkbox"/>	Exhibit 19 - Supplemental Information
<input type="checkbox"/>	<input type="checkbox"/>	Exhibit 20 - Customer Dislocation
<input type="checkbox"/>		Filing Memorandum
<input type="checkbox"/>	<input type="checkbox"/>	Prior Approval Rate Template
<input type="checkbox"/>	<input type="checkbox"/>	Standard Exhibits Template
<input type="checkbox"/>		Complete Printed Rate and Rule Manual Pages
<input type="checkbox"/>		Underwriting Guidelines
<input type="checkbox"/>		Forms^{1,2}
<input type="checkbox"/>		Copies of Reinsurance Agreements¹

¹ See Prior Approval Rate Filing Instructions.

² Attach all independent forms and list all advisory organization forms.

All Private Passenger Automobile class plans must be filed separately from the Prior Approval Rate Applications.

IMPACT OF PROPOSED CHANGES

Proposed Overall Rate Change:

#DIV/0!

Proposed Earned Premium Per Exposure:

N/A

Proposed Effective Date:

N/A

	Coverage/Form/Program ¹	Indicated % Change	Proposed % Change ²	Adjusted Earned Premium ^{3,4}	Projected Earned Premium ⁴
(1)					\$0
(2)					\$0
(3)					\$0
(4)					\$0
(5)					\$0
(6)					\$0
(7)					\$0
(8)					\$0
(9)					\$0
(10)					\$0
Total		#DIV/0!	#DIV/0!	\$0	\$0

¹ Every Coverage/Form/ Program listed on Prior Approval Template Page 1 should be listed on this page, and reflect the same order in terms of Coverage/Form/Program. The figures on this page should reconcile to the Prior Approval Rate Template.

² Commercial Auto Liability and Physical Damage must be combined in one application, with separate Rate Calculation pages in the Prior Approval Rate Template for liability and physical damage coverages.

³ If this filing contains group data, fill in the proposed impact for each individual company on Prior Approval Rate Application Page 2. The total rate impact shown on this page will not necessarily be equal to any of the individual company premium impacts shown on Prior Approval Rate Application Page 2.

⁴ Adjusted earned premium is the historical earned premium for the most recent year adjusted to the current rate level and trended to the average earned date of the proposed rating period.

⁵ Total earned premium must include all income derived from miscellaneous fees and other charges.

RECONCILIATION OF DIRECT EARNED PREMIUM DATA

Annual Statement Statutory Page 14 Calendar Year Data

	Coverage/Form/Program ¹	Latest CDI Filing # ²	2nd Prior Calendar Year	1st Prior Calendar Year	Most Recent Calendar Year
			2016	2017	2018
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					
(7)					
(8)					
(9)					
(10)					
Total			0	0	0
Statutory Page 14					
Difference			0	0	0

Explain any differences:

¹ This page requires insurers to itemize each coverage/form/program until **all** data is reconciled to the corresponding annual statement line of insurance. Every Coverage/Form/ Program listed on Prior Approval Template Page 1 should be listed on this page along with and any other coverages/forms/programs that roll up to the annual statement line of insurance, once aggregated.

² For residual market data, a filing number is not required.

ANNUAL STATEMENT LINE - Other Liability

	Year	Written Premium	Earned Premium	Incurred Loss	IL%	DCCE	DCCE%	IL+DCCE	IL+DCCE %
(1)	YYYY	0	0	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!
(2)	#VALUE!	0	0	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!
(3)	#VALUE!	0	0	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!
(4)	3 Yr Avg	0	0	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!

#VALUE!

Note: Programs with less than \$25M in premium each can be combined into one entry.

Note: Ratios are weighted averages. Dollars are arithmetic averages.

Total - All Programs

	Year	Written Premium	Earned Premium	Incurred Loss	IL%	DCCE	DCCE%	IL+DCCE	IL+DCCE %
(5)	YYYY	0	0	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!
(6)	#VALUE!	0	0	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!
(7)	#VALUE!	0	0	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!
(8)	3 Yr Avg	0	0	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!

Difference	-	-	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!
------------	---	---	---	---------	---	---------	---	---------

(specify program)

	Year	Written Premium	Earned Premium	Incurred Loss	IL%	DCCE	DCCE%	IL+DCCE	IL+DCCE %
	YYYY	0	0	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!
	#VALUE!	0	0	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!
	#VALUE!	0	0	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!
	3 Yr Avg	0	0	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!

(specify program)

	Year	Written Premium	Earned Premium	Incurred Loss	IL%	DCCE	DCCE%	IL+DCCE	IL+DCCE %
	YYYY	0	0	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!
	#VALUE!	0	0	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!
	#VALUE!	0	0	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!
	3 Yr Avg	0	0	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!

(specify program)

	Year	Written Premium	Earned Premium	Incurred Loss	IL%	DCCE	DCCE%	IL+DCCE	IL+DCCE %
	YYYY	0	0	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!
	#VALUE!	0	0	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!
	#VALUE!	0	0	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!
	3 Yr Avg	0	0	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!

(specify program)

	Year	Written Premium	Earned Premium	Incurred Loss	IL%	DCCE	DCCE%	IL+DCCE	IL+DCCE %
	YYYY	0	0	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!
	#VALUE!	0	0	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!
	#VALUE!	0	0	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!
	3 Yr Avg	0	0	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!

(specify program)

	Year	Written Premium	Earned Premium	Incurred Loss	IL%	DCCE	DCCE%	IL+DCCE	IL+DCCE %
	YYYY	0	0	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!
	#VALUE!	0	0	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!
	#VALUE!	0	0	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!
	3 Yr Avg	0	0	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!

ADDITIONAL CALENDAR YEAR DATA REQUIRED BY STATUTE

Refer to CIC §1857.7, CIC §1857.9 and CIC §1864 for more information.

Line	Type of Data	Most Recent Calendar Year
(0)	Calendar Year	YYYY
(1)	Number of claims outstanding at beginning of year	
(2)	Number of claims during the year	
(3)	Number of claims closed during the year	
(4)	Number of claims outstanding at year's end [(1) + (2) - (3)]	0
(5)	Unearned Premiums	
(6)	Dollar amount of claims paid	
(7)	Net loss reserves for outstanding claims excluding claims incurred but not reported (case reserves)	
(8)	Net loss reserves for claims incurred but not reported (IBNR)	
(9)	Losses incurred as a percentage of premiums earned, including IBNR	
(10)	Net investment gain or loss and other income or gain or loss allocated to the line	
(11)	Net income before federal and foreign income taxes [(10) + (15)]	\$0
(12)	Total number of policies in force on the last day of the reporting period	
(13)	Total number of policies canceled	
(14)	Total number of policies non-renewed	
(15)	Net underwriting gain or loss (= CY earned premiums less CY incurred loss less CY incurred expense)	
(16)	Separate allocations of expenses for:	
(17)	(a) commissions and brokerage expense	
(18)	(b) other acquisition costs	
(19)	(c) general office expenses	
(20)	(d) taxes, licenses and fees	
(21)	(e) loss adjustment expense (DCCE & AOE)	
(22)	(f) other expenses	

MISCELLANEOUS FEES AND OTHER CHARGES

Check all fees that apply and identify the amount charged for each transaction.

If no fees apply to this program, check here: ☐

Miscellaneous Fees

	New Business	Renewal Business
Policy Fee	<input type="checkbox"/> <input type="text"/>	<input type="checkbox"/> <input type="text"/>
Installment Fee (Fixed \$)	<input type="checkbox"/> <input type="text"/>	<input type="checkbox"/> <input type="text"/>
Endorsement Fee	<input type="checkbox"/> <input type="text"/>	<input type="checkbox"/> <input type="text"/>
Inspection Fee	<input type="checkbox"/> <input type="text"/>	<input type="checkbox"/> <input type="text"/>
Cancellation Fee	<input type="checkbox"/> <input type="text"/>	<input type="checkbox"/> <input type="text"/>
Reinstatement Fee	<input type="checkbox"/> <input type="text"/>	<input type="checkbox"/> <input type="text"/>
Late Fee	<input type="checkbox"/> <input type="text"/>	<input type="checkbox"/> <input type="text"/>
SR-22	<input type="checkbox"/> <input type="text"/>	<input type="checkbox"/> <input type="text"/>
Other Fees (specify below)		
<i>Fee 1</i>	<input type="checkbox"/> <input type="text"/>	<input type="checkbox"/> <input type="text"/>
<i>Fee 2</i>	<input type="checkbox"/> <input type="text"/>	<input type="checkbox"/> <input type="text"/>
<i>Fee 3</i>	<input type="checkbox"/> <input type="text"/>	<input type="checkbox"/> <input type="text"/>
<i>Fee 4</i>	<input type="checkbox"/> <input type="text"/>	<input type="checkbox"/> <input type="text"/>

Ancillary Income

	New Business	Renewal Business
Installment Finance Charge (APR %)	<input type="checkbox"/> <input type="text"/>	<input type="checkbox"/> <input type="text"/>
Non-Sufficient Funds (NSF) Fee	<input type="checkbox"/> <input type="text"/>	<input type="checkbox"/> <input type="text"/>
Membership Dues	<input type="checkbox"/> <input type="text"/>	<input type="checkbox"/> <input type="text"/>
Premium Finance Revenues	<input type="checkbox"/> <input type="text"/>	<input type="checkbox"/> <input type="text"/>
Other Fees (specify below)		
<i>Fee 1</i>	<input type="checkbox"/> <input type="text"/>	<input type="checkbox"/> <input type="text"/>
<i>Fee 2</i>	<input type="checkbox"/> <input type="text"/>	<input type="checkbox"/> <input type="text"/>
<i>Fee 3</i>	<input type="checkbox"/> <input type="text"/>	<input type="checkbox"/> <input type="text"/>
<i>Fee 4</i>	<input type="checkbox"/> <input type="text"/>	<input type="checkbox"/> <input type="text"/>

Use Exhibit 6 if additional space is needed to explain fees not listed above.

FORMS

		Applicable Form			Source of Form		Category	Coverage Change Reflects		Coverage Change Includes		Factor or Charge (\$, % or Description)
		#	Title	Type	Source	CDI File # ¹		Restriction? ²	Broadening?	Rate Impact?	% Impact	
(1)	Proposed	14-E-1110 Ed. 02-2020	Cybersurance - Privacty and Security Breach Coverage	2	3	12-5259; 12-5260	4	N	Y	N	0%	
	Current	14-E-1110 Ed. 06-2012										
(2)	Proposed	14-A-134 Ed. 02-2020	Cybersurance Application Agents Errors and Omissions	1	3	14-2194; 14-2195	4	N	Y	N	0%	
	Current	14-A-134 Ed. 02-2015										
(3)	Proposed											
	Current											
(4)	Proposed											
	Current											
(5)	Proposed											
	Current											

¹ If Source selected is ISO or Other Advisory Organization, provide the CDI File # of the applicable filing from which the form is being adopted. If Source selected is Company and Category is Replacement, provide the CDI File # under which the current form is approved.

² Forms that restrict, exclude or delete coverage require consideration of a rate offset/credit. Provide the amount of prior losses incurred associated with the impacted coverage, if any.

Legend of Response Codes

Type Code		Source Code		Category Code	
(1)	Application	(1)	Insurance Services Organization (ISO)	(1)	New, mandatory
(2)	Endorsement	(2)	Other Advisory Organization	(2)	New, optional
(3)	Policy	(3)	Company	(3)	Replacement, mandatory
(4)	Other (Describe in filing memorandum)	(4)	Other (Describe in filing memorandum)	(4)	Replacement, optional
				(5)	Withdrawn, mandatory
				(6)	Withdrawn, optional

RULES AND UNDERWRITING GUIDELINES

Insurers submitting a rule change filing must provide the information identified below.
Complete Exhibit 18 as necessary to fulfill this requirement.

Check all that apply:

- ☐ (1) Introducing a new rule(s)
- ☒ (2) Revising an existing rule(s)
- ☐ (3) Adopting an approved Advisory Organization (AO) rule(s)
- ☐ (4) Withdrawing an approved rule(s)
- ☐ (5) Introducing or revising an underwriting guideline(s)¹

If (1), (2) or (5) above is checked, provide the following:

- (a) The purpose for the rule or underwriting guideline or an explanation for revising an existing rule or underwriting guideline (Exhibit 18)
- (b) A copy of the current and proposed manual page corresponding to the rule or underwriting guideline
- (c) The proposed charge for the rule, and justification of the charge including the rate or premium development method (Exhibit 18)
- (d) The rate impact of the rule or underwriting guideline on the current book of business, with corresponding calculation of that impact (Exhibit 18)
- (e) Advise if the rule is:
 - ☒ (i) Optional
 - ☐ (ii) Mandatory

If (3) above is checked, specify the approved CDI File #(s) of the AO rule:

If (4) above is checked, provide the following:

- (a) An explanation for the withdrawal of the rule (Exhibit 18)
- (b) A copy of the current and proposed manual page corresponding to the withdrawn rule
- (c) The rate impact of withdrawing the rule on the current book of business, with corresponding calculation of that impact (Exhibit 18)

For all rule and underwriting guideline changes, provide any additional comments necessary to adequately explain the rule change (Exhibit 18).

¹ Underwriting guidelines included in this filing are reviewed only insofar as they relate to rates contained in this filing or currently on file with the California Department of Insurance.

**UTICA NATIONAL INSURANCE GROUP
INSURANCE AGENTS AND BROKERS ERRORS AND OMISSIONS
CYBERSURANCE FILING MEMORANDUM**

Aspen is providing Utica National with 100% reinsurance for this coverage. Aspen's rating is proprietary but this memorandum provides information that should be helpful in terms of filing support.

Cyber insurance for small to midsize businesses is relatively new and there is minimal experience to guide rates. Aspen is closely monitoring this line and making adjustments as warranted and fully expects to tweak these cyber rates from time to time based on the experience of the Utica National portfolio, DRe/Aspen's overall experience and taking into account the constantly shifting cyber exposures due to the advancement of technology. The premiums developed are always based on the expected frequency and severity of different types of attack and include a margin to help satisfy Aspen's regulators that we are considering systemic exposure that exist in this class of insurance.

The proposed rate changes of this filing are:

- Rate change for existing base premiums
- Introduction of rates for higher employee counts
- Introduction of rates for \$500k and \$1M limits
- Introduction of \$2M limit ILF
- Introduction of increased optional limits for the Payment Card Industry Fines and Penalties coverage

Rate Change for Existing Base Premiums

For higher limits, these base premiums were amended in response to the limited favorable experience of this coverage. A 2% to 11% decrease was applied depending on what the analysis warranted. For smaller agencies, the current base premiums were above market and Utica National was having difficulty retaining smaller accounts which are the backbone of the program. On this basis, premiums were reduced for the small agencies.

Introduction of Rates for Higher Employee Ranges

For the 36 to 55 employee range, an analysis of the potential increase in exposure due to size was done. The research told us that the amount of PII would increase but that an insurance agency of that larger size would at the same time have greater resources to protect itself. The proposed rates are an increase over the rates in the 15-35 employee range and vary from 12.5% to 15%.

For more than 55 employees, it was determined that the per employee rate for the 56th employee should be between 50% - 70% of the rate for the 55th employee – 50% was selected at \$50,000 and 66% at \$1M. This was based on:

- As size increases the exposure profile changes – it does not increase at the same rate as the PII it collects.
- Insurance agencies of this size usually have more robust controls in place, such as a full time IT security employee, resources to implement sophisticated security and device encryption, a cyber-training program for employees, and a written information and Security Plan.

Introduction of Rates for Higher Limits

The ILFs for the higher limits up to \$1M were determined by reviewing ISO casualty ILF's and ILF's used in the market for miscellaneous professional liability.

\$2M Increased Limit Factor

The increase in exposure was analyzed and determined that while severity obviously goes up frequency does not. Increase limit factors for miscellaneous professional liability, casualty and what Aspen uses in its open market large account cyber book were compared. This produced a range of 1.35 – 1.60 and 1.45 was selected

Increased limits for PCI Fine and Penalties Coverage

The frequency of this coverage is low and determining the premium apart from Regulatory fines and penalties for limits above \$10,000 is difficult. The selected increased limit factors are reflective of:

- A minimum capacity charge for (a) the reinsurance limits (i.e. use of capital) and (b) the expanded cover
- Recognition of any contribution to the cat exposure

The capital charge and cat load are proprietary to Aspen