AMERICAN ASSOCIATION OF INSURANCE SERVICES
INLAND MARINE GUIDE
ELECTRONIC DATA PROCESSING

BUSINESS COMPUTER COVERAGE RATING

AMERICAN ASSOCIATION OF INSURANCE SERVICES
INLAND MARINE GUIDE
ELECTRONIC DATA PROCESSING -- RATING

PREMIUM BASE

The premium base is the limit for all covered property (i.e., hardware and software) at each described premises. Unless otherwise indicated, all loads are expressed as annual loads per $100 of the limit.

COMPUTER COVERAGE -- PREMIUM DETERMINATION

Hardware and Software -- This method should be used for data processing risks with values (i.e., hardware and software) up to $250,000 for all locations. Each location should be rated separately.

IM 7203 -- The following rating steps should be used when coverage is written under IM 7203.

Step 1.A
> **Basic Load** -- Determine the basic load based on the construction classification:

Building Construction	Load
Fire Resistive	.40
Non-Combustible and Masonry	.50
Frame	.60

Step 2.A
> **Earthquake Load** -- Determine the load for earthquake, if applicable. MMI - Refers to the Modified Mercalli Intensity scale which is a measurement of the intensity of an earthquake. The following construction features should be considered when determining a load:
>
> a. wood frame, steel frame, reinforced concrete, combined concrete & steel
>
> b. concrete, brick or block

MMI	US Quick Quake Score
11 - 12	High (6)
10	Moderate to High (5)

Load: Refer to Company for earthquake load filed with the Department of Insurance

MMI	US Quick Quake Score
9	Moderate (4)

Load: .06 - .065

MMI	US Quick Quake Score
7 - 8	Low to Moderate (3)
5 - 6	Low (2)
1 - 4	Very Low (1)

Load: .005 - .05

Step 3.A

Flood Load -- Determine the load for flood including sewer backup, if applicable. The following risk features should be considered when determining a load:

a. the potential for sewer backup and seepage

b. mix of flood zones

c. risk features designed to mitigate flood exposure and water damage

Special Flood Hazard Area (SFHA - The 100-year flood plain.)

Load: Refer to Company for flood load filed with the Department of Insurance

All Other Flood Zones

Load: .01 - .05

The load for All Other Flood Zones can be used if a risk is located above the second story of a building.

Step 4.A

Additional Coverages -- Add the loads together that were developed in Steps 1.A -3.A and multiply the result by the modification for the following additional coverages that are built into the coverage form. This modification can reflect the following factors:

a. electrical and power supply disturbance
   1) protection against electrical or power supply disturbances
      a) complete use of current UPS equipment, surge protection, alternate power source
      b) some use of current UPS equipment, surge protection
      c) limited use of UPS equipment, surge protection or use of outdated equipment and protection
   2) reliability of utility service
      a) reliable power service
      b) sporadic brownouts and blackouts
      c) area prone to brownouts and blackouts

   Modification: 1.00 - 1.15

b. computer virus and hacking
   1) use of anti-virus software
      a) regular updating of anti-virus software
      b) irregular updating of anti-virus software
      c) no anti-virus software
   2) installation of firewalls
      a) installation of firewalls
      b) limited installation of firewalls
      c) little or no use of firewalls

   Modification: 1.00 - 1.15

Step 5.A

Web Site Server -- Multiply the basic load (or modified basic load, if applicable) by the modification for Web Site Server coverage.

a. Web Site Servers
1) state-of-the-art protection for Web site server
2) Web site server located in separate room with limited additional protection
3) no special protection for Web site server

Modification: 1.00 - 1.20

b. Web Site Software
1) Web host screens for viruses/hacking, daily backup of files, off-site storage of backup software
2) weekly backup of files, off-site storage of backup software
3) irregular backup of files, on-site storage of backup software

Modification: 1.00 - 1.20

Step 6.A

Coverage Extensions and Supplemental Coverages -- Multiply the basic load (or modified basic load if applicable) by the modification for the increase in limits for the additional coverages that are built into the coverage form or that are added by endorsement.

a. Debris Removal, Emergency Removal

b. Property In Transit And Off-Site, Foreign Transit And Location

c. Incompatible Hardware And Software

Modification: 1.00 - 1.15

Step 7.A

Multiply the modified load by the limit of insurance (per $100).

Step 8.A

Loss Cost -- Multiply the Electronic Data Processing rating information shown in Loss Cost Rating Information by the applicable company loss cost multiplier, and then multiply the result by the result of Step 7.A

Step 9.A

Deductible -- Modify the premium by any applicable deductible modification.

Deductible Amount	Factor
$250	1.05
$500	1.00
$1,000	.90
$2,500	.80

Step 10.A

IRPM -- Modify the premium by any applicable Individual Risk Premium Modification.

ADDITIONAL PREMIUM DETERMINATION PROCEDURES
(if applicable)

INCOME COVERAGE

This method should be used for data processing risks when loss of income coverage is provided:

Step 1.B

Obtain the basic load developed from Step 1.A

Step 2.B

Income Coverage Modification -- Select the modification that corresponds to the applicable coinsurance percentage and multiply the modification by the basic load from Step 1.B to determine the Income Coverage Load.

Coinsurance
Percentage

125%	0.50
100*	0.54*
90	0.58
80	0.62
70	0.66
60	0.75
50	0.83

* Use when writing on a no coinsurance basis.

Step 3.B

Utility Interruption and Backup Procedures -- Multiply the income coverage load by the modification for utility interruption and backup procedures.

a. utility interruption
1) reliable power supply and Internet service
2) limited potential for loss of power and Internet interruption
3) unreliable power supply and Internet service

b. backup procedures
1) backup hard-site available, daily backup of files, off-site storage of backup software
2) backup soft-site available, weekly backup of files, off-site storage of backup software
3) no contract for backup site, irregular backup of files, on-site storage of backup software

Modification: 0.90 - 1.15

Step 4.B

Coverage Extensions and Supplemental Coverages -- Multiply the modified income coverage load by the modification for the increase in limits for the additional coverages that are built into the income coverage form or that are added by endorsement.

a. Period Of Loss Extension

    b. Property In Transit

    c. Interruption By Civil Authority

    Modification: 1.00 - 1.05

Step 5.B
    Web Site Interruption -- Multiply the modified income coverage
    load by the modification for Web Site Interruption coverage.

    a. Web site as source of revenue
        1) on-line Internet sales
        2) subscription Web service
        3) open site (informational and/or point-of-contact site)

        Modification: 1.00 - 1.25

    b. Web Site Servers
        1) state-of-the-art protection for Web site server, contract for
            alternate host available (with compatible set-up)
        2) Web site server located in separate room with limited
            additional protection, alternate host available but no contract
        3) no special protection for Web site server, no information on
            availability of alternate host.

        Modification: 1.00 - 1.10

    c. Web Site Software
        1) Web host screens for viruses/hacking, daily backup of files,
            off-site storage of backup software
        2) weekly backup of files, off-site storage of backup software
        3) irregular backup of files, on-site storage of backup software

        Modification: 1.00 - 1.10

Step 6.B
    Multiply the result of Step 4.B (or Step 5.B, if applicable) by the loss
    of income limit of insurance (per $100).

AMERICAN ASSOCIATION OF INSURANCE SERVICES
INLAND MARINE GUIDE
ELECTRONIC DATA PROCESSING -- RATING

Step 7.B

Loss Cost -- Multiply the Electronic Data Processing rating information shown in Loss Cost Rating Information by the applicable company loss cost multiplier, and then multiply the result by the result of Step 6.B.

Step 8.B

IRPM -- Modify the premium by any applicable Individual Risk Premium Modification.

LEASED HARDWARE

The computer charge can be reduced for leased equipment when the lease limits the insured's responsibility for computer hardware.

HARDWARE UPGRADE

When the Upgrade Value endorsement is added to the coverage form:

a. Substitute the scheduled upgraded values for the current values and reflect these values in the applicable limit of insurance, as described in premium determination Step 7.A.

b. Modify the applicable premium determined in Step 8.A by the modification indicated below.

Modification: .90

REPORTING FORM (if applicable)

When reporting conditions are part of the computer coverage forms:

a. The reporting period can be on a monthly, quarterly, or annual basis.

b. The premium adjustment period can be on a monthly, quarterly, or annual basis.

AMERICAN ASSOCIATION OF INSURANCE SERVICES
INLAND MARINE GUIDE
ELECTRONIC DATA PROCESSING -- RATING

Use the following steps to determine the premium for a quarterly reporting period and annual adjustment risk. Adjust accordingly for monthly or annual reporting or monthly or quarterly adjustment periods:

1. Determine the computer reporting rate by dividing the computer premium by the limit of insurance (per $100).

2. At the inception of the coverage obtain the initial schedule of covered property (report of values).

3. Apply the reporting rate to the initial report of values (per $100) to develop a deposit premium.

4. After the quarterly reports have been received, add together the total values from all four reports, then divide the sum by 4 to obtain the average quarterly values.

5. Apply the reporting rate (per $100) to the average quarterly values to determine the earned premium.

6. Determine any additional or return premium based on the difference between the deposit premium (item 3) and the earned premium (item 5).