1. Description of Coverage

This optional endorsement is designed to provide three additional insuring agreements subject to an overall endorsement aggregate limit of liability.

The first coverage is **Personal Identity Liability**. This coverage is designed to pay for liability claims resulting from security breaches that result or could result in third parties personal information being fraudulently used by an unauthorized person.

The second coverage is **for Administrative Action**. Administrative Action means an investigation, settlement, or formal adversarial administrative proceeding against the insured by a governmental agency.

The third coverage is **Identity Event Reimbursement Coverage**. This coverage is designed to pay reasonable expenses to mitigate the potential for a Personal Identity Liability loss post event. These expenses include forensic investigator to determine the extent of the security breach, notification costs to educate the general public post event, and identity theft education and credit file monitoring. This coverage also provides public relation expenses to protect the reputation of the insured post event.

Form:

This form (110258) Corporate Identity Protection Coverage Extension Endorsement (Professional) - Texas attaches to a Professional Liability Policy.

# Eligibility

Every policy is eligible for this endorsement when coverage is written under a Professional Liability Policy, with the exception of the following ineligible classes of business:

Financial institutions, adult business, gambling or gaming, credit card or financial transaction

processing, hospitals, data processors, I.T. outsourcing companies, information/data brokers, credit reporting agencies, collection agents, municipalities and governmental agencies.

# Coverage Limits

For Corporate Identity Protection Coverage the standard aggregate limit is $50,000.

Increased limits of $100,000 and $250,000 are available.

# Retention

Corporate Identity Protection Coverage is subject to a $2,500 retention amount for each “personal identity event”.

# Premium Determination

Refer to the Corporate Identity Protection Rate Table for premium charges. This table indicates the applicable premium based on class of business (tier). Eligible classes of business are divided

into three tiers:

* 1. Tier 1 Classes

Companies whose only personal information is relative to employees. Examples include manufacturing and wholesale.

* 1. Tier 2 Classes

Companies that keep financial or account number information on individual customers, but do not keep customers’ social security numbers. Examples include Retail and Churches.

* 1. Tier 3 Classes

Companies with customers’ social security numbers. Examples include Apartments, Health Care, Professional Services, and Higher Education.

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# Premium Charges for Corporate Identity Protection Coverage –

**$50,000 Aggregate Limits**

|  |  |
| --- | --- |
| Tier 1 | $125 |
| Tier 2 | $199 |
| Tier 3  Limits: | $261 |

We will offer the following limits structure.

|  |  |  |  |
| --- | --- | --- | --- |
|  | Option A: | Option B | Option C |
| Limit Combination |  |  |  |
| CIP Coverage Sublimit | 50,000 | 100,000 | 250,000 |
| Personal ID Liability | 50,000 | 100,000 | 250,000 |
| Administrative Action | 25,000 | 50,000 | 75,000 |
| Identity Event Reimbursement | 25,000 | 50,000 | 75,000 |
| Retention | 2,500 | 2,500 | 2,500 |

Maximum Premium 5,000 10,000 15,000

Increased Limits

If increased limits are requested, apply the appropriate increased limit factor below:

|  |  |
| --- | --- |
| **Limit Factor** |  |
| $100,000 | 1.8 |
| $250,000 | 3.6 |

Premiums determined as outlined above are final premiums, and are not subject to further modification through the application of any other rating plans or factors; including, but not limited to, company deviations, experience and scheduled rating plans, and expense modifications.

# Minimum Premium

Coverage is not subject to a minimum premium.

# Midterm Coverage Request

Coverage may be added midterm. If added midterm, premium charges are to be applied on a prorata basis.