

CYBER LIABILITY EXCLUSION PRODUCER NOTICE

Dear Producer,

We are writing you to provide advance notice that we will be adding a Cyber Loss Exclusion to all Commercial Property and Business Owners policies. On October 1st, 2021 your insured's will be receiving a notice of policy change advising them of the endorsement of the Cyber Loss Exclusion onto their policy.

Cyber loss is a growing threat to every business. Traditional property insurance policies authored by insurance company advisory organizations have not responded to the rapidly increasing threat of cyber risk exposures. When their policies were originally drafted, cyber risk was of minimal concern as a driver of loss. Now, cyber risk has evolved to the point that it is its own cause of loss with cyber insurance becoming a primary component of a corporation's risk management and insurance plan.

While it is never an easy decision to reduce coverage, our reinsurance treaties now contain their own cyber loss exclusions. Therefore, we have no choice but to implement these changes. Our Cyber Exclusions were drafted with the intent to decouple this exposure from its possible inclusion under our property insurance coverage.

Sincerely,

SPRISKA Insurance