

SERFF Tracking Number: FFDC-12587716 State: Arkansas
First Filing Company: American Automobile Insurance Company, ... State Tracking Number: EFT \$50
Company Tracking Number: NARCM0208
TOI: 09.0 Inland Marine Sub-TOI: 09.0005 Other Commercial Inland Marine
Product Name: Payment Card Security Extra Expense Extension Endorsement
Project Name/Number: Payment Card Security Extra Expense Extension Endorsement/NWCM0208

Filing at a Glance

Companies: American Automobile Insurance Company, Associated Indemnity Corporation, Fireman's Fund Insurance Company, National Surety Corporation, The American Insurance Company

Product Name: Payment Card Security Extra Expense Extension Endorsement
SERFF Tr Num: FFDC-12587716 State: Arkansas

TOI: 09.0 Inland Marine SERFF Status: Closed State Tr Num: EFT \$50
Sub-TOI: 09.0005 Other Commercial Inland Marine Co Tr Num: NARCM0208 State Status: Fees verified and received
Filing Type: Form Co Status: Pending Reviewer(s): Betty Montesi, Llyweyia Rawlins

Author: Michelle Davanzo
Date Submitted: 10/29/2008

Disposition Date: 10/30/2008
Disposition Status: Approved
Effective Date (New): 01/01/2009
Effective Date (Renewal): 01/01/2009

Effective Date Requested (New): 01/01/2009
Effective Date Requested (Renewal): 01/01/2009

State Filing Description:

General Information

Project Name: Payment Card Security Extra Expense Extension Endorsement

Project Number: NWCM0208

Reference Organization:

Reference Title:

Filing Status Changed: 10/30/2008

State Status Changed: 10/30/2008

Corresponding Filing Tracking Number:

Filing Description:

Enclosed for your review and approval are new optional coverage forms for Commercial Inland Marine (non-filed class) that can be added to our Commercial Package and ABC Package policies that currently have our Inland Marine Data Compromise Coverage form attached to the policy.

Status of Filing in Domicile:

Domicile Status Comments:

Reference Number:

Advisory Org. Circular:

Deemer Date:

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These coverage forms will be added at the sole option of the insured to either their Commercial Package or ABC Small Business policy.

- Payment Card Security Extra Expense Extension Endorsement – 145501 10 08
- Payment Card Security Extra Expense Extension Endorsement – AB9364 10 08

This extension endorsement provides reimbursement for specific extra expenses incurred following the breach of payment card personal data including:

- Forensic investigation required by the payment card brands (i.e. Visa) following a data breach involving payment cards
- Upgrades to software and hardware systems
- Scanning services after software and hardware system upgrades
- Certain contract penalties outlined in the insured's merchant service agreement with their banks
- Response communication expenses to promote the insured's positive reputation following a data breach
- Customer promotion expenses to promote the insured's positive reputation following a data breach

Your approval of this filing, which has a proposed effective date of January 1, 2009, would be appreciated.

Company and Contact

Filing Contact Information

Michelle Davanzo, Regulatory Services Senior Analyst
 mdavanzo@ffic.com

777 San Marin Drive (415) 899-2660 [Phone]
 Novato, CA 94998 (866) 290-0671[FAX]

Filing Company Information

American Automobile Insurance Company	CoCode: 21849	State of Domicile: Missouri
777 San Marin Drive	Group Code: 761	Company Type:
Novato, CA 94998	Group Name:	State ID Number:
(415) 899-2817 ext. [Phone]	FEIN Number: 22-1608585	

Associated Indemnity Corporation	CoCode: 21865	State of Domicile: California
777 San Marin Drive	Group Code: 761	Company Type:

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Novato, CA 94998 Group Name: State ID Number:
(415) 899-2817 ext. [Phone] FEIN Number: 22-1708002

Fireman's Fund Insurance Company CoCode: 21873 State of Domicile: California
777 San Marin Drive Group Code: 761 Company Type:
Novato, CA 94998 Group Name: State ID Number:
(415) 899-3290 ext. [Phone] FEIN Number: 94-1610280

National Surety Corporation CoCode: 21881 State of Domicile: Illinois
777 San Marin Drive Group Code: 761 Company Type:
Novato, CA 94998 Group Name: State ID Number:
(415) 899-2817 ext. [Phone] FEIN Number: 36-2704643

The American Insurance Company CoCode: 21857 State of Domicile: Nebraska
777 San Marin Drive Group Code: 761 Company Type:
Novato, CA 94998 Group Name: State ID Number:
(415) 899-2817 ext. [Phone] FEIN Number: 22-0731810

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Filing Fees

Fee Required? Yes
 Fee Amount: \$50.00
 Retaliatory? No
 Fee Explanation:
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
American Automobile Insurance Company	\$50.00	10/29/2008	23564801
Associated Indemnity Corporation	\$0.00	10/29/2008	
Fireman's Fund Insurance Company	\$0.00	10/29/2008	
National Surety Corporation	\$0.00	10/29/2008	
The American Insurance Company	\$0.00	10/29/2008	

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Llyweyia Rawlins	10/30/2008	10/30/2008

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Disposition

Disposition Date: 10/30/2008
Effective Date (New): 01/01/2009
Effective Date (Renewal): 01/01/2009
Status: Approved
Comment:

Rate data does NOT apply to filing.

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
Effect of Rate Filing - Number of Policyholders Affected	0

SERFF Tracking Number: FFDC-125877716 State: Arkansas
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Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	Cover Letter	Approved	Yes
Form	Payment Card Security Extra Expense Extension Endorsement	Approved	Yes
Form	Payment Card Security Extra Expense Extension Endorsement	Approved	Yes

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Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved	Payment Card Security Extra Expense Extension Endorsement	145501	10 08	Endorsement/Amendment/Conditions	New	0.00	145501 10 08 Payment Card Security Extra Expense Extension Endorsement.pdf
Approved	Payment Card Security Extra Expense Extension Endorsement	AB9364	10 08	Endorsement/Amendment/Conditions	New	0.00	AB 9364 10 08 Payment Card Security Extra Expense Extension Endorsement.pdf

Payment Card Security Extra Expense Extension Endorsement 145501 10 08

Policy Amendment(s) Commercial Inland Marine Coverage

This endorsement modifies insurance provided under the following:

Data Compromise Coverage Form 145446

Schedule:

		Limit of Insurance	Deductible
Software and Firewall Upgrade and Scanning Services	Per Personal Data Compromise and Annual Aggregate	\$50,000	
Payment Card Contract Penalties and Chargebacks	Per Personal Data Compromise and Annual Aggregate	\$100,000	5%
Bank Service Charges	Per Personal Data Compromise and Annual Aggregate	\$2,500	
Response Communication Expense	Per Personal Data Compromise and Annual Aggregate	\$10,000	
Promotions Expense	Per Personal Data Compromise and Annual Aggregate	\$5,000	

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

Unless otherwise specifically stated, the limits of insurance shown in the Schedule are in addition to the limits of insurance stated elsewhere in this policy.

The coverage granted by this endorsement does not provide nor will it invoke coverage for loss of use, loss of business income or loss of rental income.

1. The following coverages are added to **Section A.2. Coverages Provided** of the Data Compromise Coverage Form 145446:

d. **Software and Firewall Upgrade and Scanning Services**

- (1) If you are notified in writing by a **payment card** issuing bank, merchant bank, acquiring bank or other acquiring institution that you are a likely common

This Form must be attached to Change Endorsement when issued after the policy is written.
One of the **Fireman's Fund Insurance Companies** as named in the policy.



Secretary



President

point of purchase source of a **personal data compromise** or otherwise involved in a **personal data compromise**, then we will pay the costs for a **PCI forensic investigation** to determine if you are in compliance with the **payment card security standards** applicable to you. The most we will pay for all **PCI forensic investigation** expenses for any one **personal data compromise** is \$5,000.

This coverage is in addition to the coverage provided in A.2.a.(2) Forensic Information Technology Services.

- (2) If after a **personal data compromise**, it is determined through a **PCI forensic investigation** that you are out of compliance with the **payment card security standards** applicable to you, then we will pay:
 - a. Your necessary and reasonable costs to purchase and install anti-virus software, point-of-sale system software and firewall protection software that satisfies the requirements of the **payment card security standards** applicable to you. We will not pay for any costs to upgrade hardware, except as outlined in 1.d.(2).b. below. We will not pay for any service or maintenance plans for any software or hardware system.
 - b. Your necessary and reasonable costs to purchase and install firewall protection hardware that satisfies the requirements of the **payment card security standards** applicable to you. The most we will pay for all firewall protection hardware and its installation expenses for any one **personal data compromise** is \$5,000.
 - c. The costs for the scanning services of a **qualified security assessor** to certify that your upgraded software and hardware systems meet the requirements of the **payment card security standards** applicable to you. However, we will only pay for the first such scanning services after your software or hardware systems, or both, are upgraded.
- (3) Exclusion B.6. in the Data Compromise Coverage Form does not apply to this coverage.
- (4) Additional Condition F.4. in the Data Compromise Coverage Form does not apply to this coverage.
- (5) Section D. Deductible in the Data Compromise Coverage Form does not apply to this coverage.

- (6) Subject to the sublimits outlined in 1.d.(1) and 1.d.(2)b. above, the most we will pay for all **PCI forensic investigation** expenses, software system and hardware upgrades and installation and scanning services covered under this coverage grant is the Software and Firewall Upgrade and Scanning Services Limit of Insurance indicated in the schedule of this endorsement.

This limit is not part of, but in addition to, the Data Compromise Limit.

The Software and Firewall Upgrade and Scanning Services Limit and **PCI forensic investigation** and firewall protection hardware sublimits are annual aggregate limits and are the most we will pay for the total of all covered costs arising out of all **personal data compromise** events which are discovered by you during the present annual policy period. These limits apply regardless of the number of **personal data compromise** events occurring during the policy period.

- (7) We will not pay for any **PCI forensic investigation** expenses, software system or hardware upgrades or installation and scanning services unless you or your executive officer, acting on your behalf, have attested compliance with the **payment card industry standards** by completing and signing a **PCI attestation of compliance** within the twelve (12) months immediately preceding the **personal data compromise**.

We will not pay for any **PCI forensic investigation** expenses, software system or hardware upgrades or installation and scanning services if you or your executive officer, acting on your behalf, have fraudulently or intentionally misrepresented that you are in compliance with the **payment card industry standards** in completing the **PCI attestation of compliance**.

e. **Payment Card Contract Penalties and Chargebacks**

- (1) If after a **personal data compromise**, it is determined through a **PCI forensic investigation** that you are out of compliance with the **payment card security standards** applicable to you, then we will pay your **payment card contract penalties, payment card replacement fees and chargebacks**, arising from a **personal data compromise**, but only if you have agreed to pay such **payment card contract penalties, payment card replacement fees and chargebacks** in a **merchant service agreement** you have entered into prior to such **personal data compromise**.

- (2) Exclusion B.7. of the Data Compromise Coverage form does not apply to **payment card contract penalties, payment card replacement fees or chargebacks** covered under 1.e. Payment Card Contract Penalties and Chargebacks in this endorsement.
- (3) Section D. Deductible of the Data Compromise Coverage Form does not apply to this coverage.
- (4) The most we will pay for all **payment card contract penalties, payment card replacement fees and chargebacks** under this coverage form is the Payment Card Contract Penalties and Chargebacks Limit of Insurance indicated in the schedule of this endorsement.

This limit is not part of, but in addition to, the Data Compromise Limit.

The Payment Card Contract Penalties and Chargebacks Limit is an annual aggregate limit and is the most we will pay for the total of all covered costs arising out of all **personal data compromise** events which are discovered by you during the present annual policy period. This limit applies regardless of the number of **personal data compromise** events occurring during the policy period.

(5) **Deductible**

We will pay only that part of **payment card contract penalties, payment card replacement fees and chargebacks** that exceeds the deductible amount that applies to the Payment Card Contract Penalties and Chargebacks coverage indicated on the schedule of this endorsement. The deductible amount will be an amount equal to a percentage (as shown in the Schedule applicable to Payment Card Contract Penalties and Chargebacks) of the total amount of the covered loss for **payment card contract penalties, payment card replacement fees and chargebacks** arising from the **personal data compromise**. We will then pay the amount of loss in excess of the deductible, up to the applicable Limit of Insurance.

You shall be responsible for such deductible amount as respects each **personal data compromise** covered under this Coverage Form in addition to any applicable deductibles contained in the Data Compromise Coverage Form.

- (6) We will not pay for any **payment card contract penalties, payment card replacement fees or chargebacks** unless you or your executive officer, acting on your behalf, have attested compliance with the **payment card industry standards** by completing and signing a **PCI attestation of compliance** within the twelve (12) months immediately preceding the **personal data compromise**.

We will not pay for any **payment card contract penalties, payment card replacement fees or chargebacks** if you or your executive officer, acting on your behalf, have fraudulently or intentionally misrepresented that you are in compliance with the **payment card industry standards** in completing the **PCI attestation of compliance**.

f. **Bank Service Charges**

- (1) We will pay the **bank service charges** you incur for a period of thirty (30) days from the date you first discover a **personal data compromise**.
- (2) Exclusion B.7. of the Data Compromise Coverage form does not apply to **bank service charges** covered under 1.f. Bank Services Charges of this endorsement.
- (3) Section D. Deductible of the Data Compromise Coverage Form does not apply to this coverage.
- (4) The most we will pay for all **bank service charges** under this coverage form is the Bank Service Charges Limit of Insurance indicated in the schedule of this endorsement.

This limit is not part of, but in addition to, the Data Compromise Limit.

The Bank Service Charges Limit is an annual aggregate limit and is the most we will pay for the total of all covered costs arising out of all **personal data compromise** events which are discovered by you during the present annual policy period. This limit applies regardless of the number of **personal data compromise** events occurring during the policy period.

- (5) We will not pay for any **bank service charges** unless you or your executive officer, acting on your behalf, have attested compliance with the **payment card industry standards** by completing and signing a **PCI attestation of compliance** within the twelve (12) months immediately preceding the **personal data compromise**.

We will not pay for any **bank service charges** if you or your executive officer, acting on your behalf, have fraudulently or intentionally misrepresented that you are in compliance with the **payment card industry standards** in completing the **PCI attestation of compliance**.

g. **Response Communication Expense**

- (1) We will pay your **response communication costs** resulting from a **personal data compromise** for sixty (60) consecutive days from the date you first discover a **personal data compromise**.
- (2) Additional Condition F.4. of the Data Compromise Coverage Form does not apply to this coverage.
- (3) Section D. Deductible of the Data Compromise Coverage Form does not apply to this coverage.
- (4) The most we will pay for all **response communication costs** covered under this coverage form is the Response Communication Expense Limit of Insurance indicated in the schedule of this endorsement.

This limit is not part of, but in addition to, the Data Compromise Limit.

The Response Communication Expense Limit is an annual aggregate limit and is the most we will pay for the total of all covered costs arising out of all **personal data compromise** events which are discovered by you during the present annual policy period. This limit applies regardless of the number of **personal data compromise** events occurring during the policy period.

h. **Promotions Expense**

- (1) We will pay for **promotions expense** you incur during the first ninety (90) days from the date you first discover a **personal data compromise** to attract **affected individuals** back to your business. The most we will pay for promotions to any one **affected individual** is \$250.
- (2) Additional Condition F.4. of the Data Compromise Coverage Form does not apply to this coverage.
- (3) Section D. Deductible of the Data Compromise Coverage Form does not apply to this coverage.

- (4) With respect to coverage 1.h. Promotions Expense only, **affected individuals** do not include your directors or employee.
- (5) The most we will pay for all **promotions expenses** covered under this coverage form is the Promotions Expense Limit of Insurance indicated in the schedule of this endorsement.

This limit is not part of, but in addition to, the Data Compromise Limit.

The Promotions Expense Limit is an annual aggregate limit and is the most we will pay for the total of all covered costs arising out of all **personal data compromise** events which are discovered by you during the present annual policy period. This limit applies regardless of the number of **personal data compromise** events occurring during the policy period.

2. Unless otherwise noted in this extension endorsement, all conditions in the Common Policy Conditions, Commercial Inland Marine Conditions, Data Compromise Coverage Form Loss Conditions and the Data Compromise Coverage Form Additional Conditions apply to the coverages provided under this extension endorsement.

The following condition is added to **E.2. Duties in the Event of a Loss** of the Data Compromise Coverage Form, but only with respect to the coverages provided by this extension endorsement.

- i. As soon as possible, provide us with:
 - 1) a copy of the written notification and other communications by a **payment card** issuing bank, merchant bank, acquiring bank or other acquiring institution advising that you are the likely common point of purchase source of a **personal data compromise** or are otherwise involved in a **personal data compromise**;
 - 2) a copy of your signed **PCI attestation of compliance** which has been completed within twelve (12) months immediately preceding the **personal data compromise**, and
 - 3) itemized invoices or other documentation to support your claims for loss incurred.

3. Definitions

The following are added to section **G. Definitions**:

Bank service charges means late payment fees, overdraft protection transfer fees, insufficient funds fees, returned item fees, minimum balance fees, cash advance fees and funds transfer fees associated with your banking account(s). **Bank service charges** do not include interest charges, automated teller machine fees, interchange fees or account maintenance fees.

Chargeback means **payment card** charge reversals due to the fraudulent use of **payment cards** or **personally identifying information**. **Chargeback** includes transaction fees assessed to process the **chargeback**.

Merchant service agreement means a contract between you and an acquiring bank or other acquiring institution that establishes the terms and conditions for accepting and processing **payment card** transactions

Payment card means credit cards, debit cards and charge cards issued by a financial institution.

Payment card contract penalty means monetary amounts incurred by you following a **personal data compromise** because of non-compliance with the **payment card security standards** applicable to you. **Payment card contract penalty** does not mean fines or penalties assessed due to not promptly reporting a **personal data compromise** or fines or penalties assessed due to failure to properly validate system security according to the **payment card security standards**. **Payment card contract penalty** does not include any interchange fees or changes in interchange fee schedules.

Payment card replacement fees means the fees incurred by you for the issuance of replacement **payment cards** to **affected individuals** following a **personal data compromise**.

Payment card security standards means the most current edition of security standards contained in the Payment Card Industry Data Security Standards program (PCI DSS), Visa's Cardholder Information Security Program (CISP), MasterCard's Site Data Protection program (SDP), American Express's Data Security Operating Policy, Discover's Information Security and Compliance program (DISC), or other similar standards that you have agreed to in a **merchant service agreement** with a financial institution, that apply to you.

PCI attestation of compliance means the declaration of compliance status with the Payment Card Industry Data Security Standards program found in the **PCI self-assessment questionnaire** that applies to you.

PCI forensic investigation means a professional review of your computer systems by a **qualified forensic investigator** to determine your compliance with the **payment card security standards**.

PCI self-assessment questionnaire means the questionnaire, developed by the Payment Card Industry Security Standards Council, that assists you in self-evaluating your compliance with the **payment card security standards**.

Promotions expense means expenses you incur to attract **affected individuals** to your business following a **personal data compromise**. **Promotions expense** includes, but is not limited to advertising, direct mail, discount coupons or gift certificates and conducting promotional events. **Promotions expense** do not include expenses you would have incurred had you not discovered a **personal data compromise**.

Qualified forensic investigator means an organization approved by the applicable **payment card** issuing bank to conduct forensic investigations following a **personal data compromise**.

Qualified security assessor means an individual or organization certified by the Payment Card Industry Security Standards Council to perform assessment of compliance with **payment card security standards**.

Response communication costs means reasonable fees and costs you incur for the services of a public relations or similar professional communications organization in assisting or advising you to minimize negative publicity and restore or otherwise positively communicate your image to the general public following the **personal data compromise**. This does not include time or expenses incurred by your employees in your in-house public relations or communications department that is not directly related to the **personal data compromise**.

All other provisions of this policy apply.

Payment Card Security Extra Expense Extension Endorsement AB 93 64 10 08

This endorsement modifies insurance provided under the following:

Data Compromise Coverage Form AB 93 38

Schedule:

		Limit of Insurance	Deductible
Software and Firewall Upgrade and Scanning Services	Per Personal Data Compromise and Annual Aggregate	\$50,000	
Payment Card Contract Penalties and Chargebacks	Per Personal Data Compromise and Annual Aggregate	\$100,000	5%
Bank Service Charges	Per Personal Data Compromise and Annual Aggregate	\$2,500	
Response Communication Expense	Per Personal Data Compromise and Annual Aggregate	\$10,000	
Promotions Expense	Per Personal Data Compromise and Annual Aggregate	\$5,000	

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

Unless otherwise specifically stated, the limits of insurance shown in the Schedule are in addition to the limits of insurance stated elsewhere in this policy.

The coverage granted by this endorsement does not provide nor will it invoke coverage for loss of use, loss of business income or loss of rental income.

1. The following coverages are added to **Section A.2. Coverages Provided** of the Data Compromise Coverage Form 145446:

d. **Software and Firewall Upgrade and Scanning Services**

(1) If you are notified in writing by a **payment card** issuing bank, merchant bank, acquiring bank or other acquiring institution that you are a likely common

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One of the **Fireman's Fund Insurance Companies** as named in the policy.



Secretary



President

point of purchase source of a **personal data compromise** or otherwise involved in a personal data compromise, then we will pay the costs for a **PCI forensic investigation** to determine if you are in compliance with the **payment card security standards** applicable to you. The most we will pay for all **PCI forensic investigation** expenses for any one **personal data compromise** is \$5,000.

This coverage is in addition to the coverage provided in A.2.a.(2) Forensic Information Technology Services.

- (2) If after a **personal data compromise**, it is determined through a **PCI forensic investigation** that you are out of compliance with the **payment card security standards** applicable to you, then we will pay:
 - a. Your necessary and reasonable costs to purchase and install anti-virus software, point-of-sale system software and firewall protection software that satisfies the requirements of the **payment card security standards** applicable to you. We will not pay for any costs to upgrade hardware, except as outlined in 1.d.(2).b. below. We will not pay for any service or maintenance plans for any software or hardware system.
 - b. Your necessary and reasonable costs to purchase and install firewall protection hardware that satisfies the requirements of the **payment card security standards** applicable to you. The most we will pay for all firewall protection hardware and its installation expenses for any one **personal data compromise** is \$5,000.
 - c. The costs for the scanning services of a **qualified security assessor** to certify that your upgraded software and hardware systems meet the requirements of the **payment card security standards** applicable to you. However, we will only pay for the first such scanning services after your software or hardware systems, or both, are upgraded.
- (3) Exclusion B.6. in the Data Compromise Coverage Form does not apply to this coverage.
- (4) Additional Condition F.8. in the Data Compromise Coverage Form does not apply to this coverage.
- (5) Section D. Deductible in the Data Compromise Coverage Form does not apply to this coverage.

- (6) Subject to the sublimits outlined in 1.d.(1) and 1.d.(2)b. above, the most we will pay for all **PCI forensic investigation** expenses, software system and hardware upgrades and installation and scanning services covered under this coverage grant is the Software and Firewall Upgrade and Scanning Services Limit of Insurance indicated in the schedule of this endorsement.

This limit is not part of, but in addition to, the Data Compromise Limit.

The Software and Firewall Upgrade and Scanning Services Limit and **PCI forensic investigation** and firewall protection hardware sublimits are annual aggregate limits and are the most we will pay for the total of all covered costs arising out of all **personal data compromise** events which are discovered by you during the present annual policy period. These limits apply regardless of the number of **personal data compromise** events occurring during the policy period.

- (7) We will not pay for any **PCI forensic investigation** expenses, software system or hardware upgrades or installation and scanning services unless you or your executive officer, acting on your behalf, have attested compliance with the **payment card industry standards** by completing and signing a **PCI attestation of compliance** within the twelve (12) months immediately preceding the **personal data compromise**.

We will not pay for any **PCI forensic investigation** expenses, software system or hardware upgrades or installation and scanning services if you or your executive officer, acting on your behalf, have fraudulently or intentionally misrepresented that you are in compliance with the **payment card industry standards** in completing the **PCI attestation of compliance**.

e. **Payment Card Contract Penalties and Chargebacks**

- (1) If after a **personal data compromise**, it is determined through a **PCI forensic investigation** that you are out of compliance with the **payment card security standards** applicable to you, then we will pay your **payment card contract penalties, payment card replacement fees and chargebacks**, arising from a **personal data compromise**, but only if you have agreed to pay such **payment card contract penalties, payment card replacement fees and chargebacks** in a **merchant service agreement** you have entered into prior to such **personal data compromise**.

- (2) Exclusion B.7. of the Data Compromise Coverage form does not apply to **payment card contract penalties, payment card replacement fees or chargebacks** covered under 1.e. Payment Card Contract Penalties and Chargebacks in this endorsement.
- (3) Section D. Deductible of the Data Compromise Coverage Form does not apply to this coverage.
- (4) The most we will pay for all **payment card contract penalties, payment card replacement fees and chargebacks** under this coverage form is the Payment Card Contract Penalties and Chargebacks Limit of Insurance indicated in the schedule of this endorsement.

This limit is not part of, but in addition to, the Data Compromise Limit.

The Payment Card Contract Penalties and Chargebacks Limit is an annual aggregate limit and is the most we will pay for the total of all covered costs arising out of all **personal data compromise** events which are discovered by you during the present annual policy period. This limit applies regardless of the number of **personal data compromise** events occurring during the policy period.

(5) **Deductible**

We will pay only that part of **payment card contract penalties, payment card replacement fees and chargebacks** that exceeds the deductible amount that applies to the Payment Card Contract Penalties and Chargebacks coverage indicated on the schedule of this endorsement. The deductible amount will be an amount equal to a percentage (as shown in the Schedule applicable to Payment Card Contract Penalties and Chargebacks) of the total amount of the covered loss for **payment card contract penalties, payment card replacement fees and chargebacks** arising from the **personal data compromise**. We will then pay the amount of loss in excess of the deductible, up to the applicable Limit of Insurance.

You shall be responsible for such deductible amount as respects each **personal data compromise** covered under this Coverage Form in addition to any applicable deductibles contained in the Data Compromise Coverage Form.

- (6) We will not pay for any **payment card contract penalties, payment card replacement fees or chargebacks** unless you or your executive officer, acting on your behalf, have attested compliance with the **payment card industry standards** by completing and signing a **PCI attestation of compliance** within the twelve (12) months immediately preceding the **personal data compromise**.

We will not pay for any **payment card contract penalties, payment card replacement fees or chargebacks** if you or your executive officer, acting on your behalf, have fraudulently or intentionally misrepresented that you are in compliance with the **payment card industry standards** in completing the **PCI attestation of compliance**.

f. **Bank Service Charges**

- (1) We will pay the **bank service charges** you incur for a period of thirty (30) days from the date you first discover a **personal data compromise**.
- (2) Exclusion B.7. of the Data Compromise Coverage form does not apply to **bank service charges** covered under 1.f. Bank Services Charges of this endorsement.
- (3) Section D. Deductible of the Data Compromise Coverage Form does not apply to this coverage.
- (4) The most we will pay for all **bank service charges** under this coverage form is the Bank Service Charges Limit of Insurance indicated in the schedule of this endorsement.

This limit is not part of, but in addition to, the Data Compromise Limit.

The Bank Service Charges Limit is an annual aggregate limit and is the most we will pay for the total of all covered costs arising out of all **personal data compromise** events which are discovered by you during the present annual policy period. This limit applies regardless of the number of **personal data compromise** events occurring during the policy period.

- (5) We will not pay for any **bank service charges** unless you or your executive officer, acting on your behalf, have attested compliance with the **payment card industry standards** by completing and signing a **PCI attestation of compliance** within the twelve (12) months immediately preceding the **personal data compromise**.

We will not pay for any **bank service charges** if you or your executive officer, acting on your behalf, have fraudulently or intentionally misrepresented that you are in compliance with the **payment card industry standards** in completing the **PCI attestation of compliance**.

g. **Response Communication Expense**

- (1) We will pay your **response communication costs** resulting from a **personal data compromise** for sixty (60) consecutive days from the date you first discover a **personal data compromise**.
- (2) Additional Condition F.8. of the Data Compromise Coverage Form does not apply to this coverage.
- (3) Section D. Deductible of the Data Compromise Coverage Form does not apply to this coverage.
- (4) The most we will pay for all **response communication costs** covered under this coverage form is the Response Communication Expense Limit of Insurance indicated in the schedule of this endorsement.

This limit is not part of, but in addition to, the Data Compromise Limit.

The Response Communication Expense Limit is an annual aggregate limit and is the most we will pay for the total of all covered costs arising out of all **personal data compromise** events which are discovered by you during the present annual policy period. This limit applies regardless of the number of **personal data compromise** events occurring during the policy period.

h. **Promotions Expense**

- (1) We will pay for **promotions expense** you incur during the first ninety (90) days from the date you first discover a **personal data compromise** to attract **affected individuals** back to your business. The most we will pay for promotions to any one **affected individual** is \$250.
- (2) Additional Condition F.8. of the Data Compromise Coverage Form does not apply to this coverage.
- (3) Section D. Deductible of the Data Compromise Coverage Form does not apply to this coverage.

- (4) With respect to coverage 1.h. Promotions Expense only, **affected individuals** do not include your directors or employee.
- (5) The most we will pay for all **promotions expenses** covered under this coverage form is the Promotions Expense Limit of Insurance indicated in the schedule of this endorsement.

This limit is not part of, but in addition to, the Data Compromise Limit.

The Promotions Expense Limit is an annual aggregate limit and is the most we will pay for the total of all covered costs arising out of all **personal data compromise** events which are discovered by you during the present annual policy period. This limit applies regardless of the number of **personal data compromise** events occurring during the policy period.

2. Unless otherwise noted in this extension endorsement, all conditions in the American Business Coverage Policy, Common Policy Conditions, Data Compromise Coverage Form Loss Conditions and the Data Compromise Coverage Form Additional Conditions apply to the coverages provided under this extension endorsement.

The following condition is added to **E.2. Duties in the Event of a Loss** of the Data Compromise Coverage Form, but only with respect to the coverages provided by this extension endorsement.

- i. As soon as possible, provide us with:
 - 1) a copy of the written notification and other communications by a **payment card** issuing bank, merchant bank, acquiring bank or other acquiring institution advising that you are the likely common point of purchase source of a **personal data compromise** or are otherwise involved in a **personal data compromise**;
 - 2) a copy of your signed **PCI attestation of compliance** which has been completed within twelve (12) months immediately preceding the **personal data compromise**, and
 - 3) itemized invoices or other documentation to support your claims for loss incurred.

3. Definitions

The following are added to section **G. Definitions**:

Bank service charges means late payment fees, overdraft protection transfer fees, insufficient funds fees, returned item fees, minimum balance fees, cash advance fees and funds transfer fees associated with your banking account(s). **Bank service charges** do not include interest charges, automated teller machine fees, interchange fees or account maintenance fees.

Chargeback means **payment card** charge reversals due to the fraudulent use of **payment cards** or **personally identifying information**. **Chargeback** includes transaction fees assessed to process the **chargeback**.

Merchant service agreement means a contract between you and an acquiring bank or other acquiring institution that establishes the terms and conditions for accepting and processing **payment card** transactions

Payment card means credit cards, debit cards and charge cards issued by a financial institution.

Payment card contract penalty means monetary amounts incurred by you following a **personal data compromise** because of non-compliance with the **payment card security standards** applicable to you. **Payment card contract penalty** does not mean fines or penalties assessed due to not promptly reporting a **personal data compromise** or fines or penalties assessed due to failure to properly validate system security according to the **payment card security standards**. **Payment card contract penalty** does not include any interchange fees or changes in interchange fee schedules.

Payment card replacement fees means the fees incurred by you for the issuance of replacement **payment cards** to **affected individuals** following a **personal data compromise**.

Payment card security standards means the most current edition of security standards contained in the Payment Card Industry Data Security Standards program (PCI DSS), Visa's Cardholder Information Security Program (CISP), MasterCard's Site Data Protection program (SDP), American Express's Data Security Operating Policy, Discover's Information Security and Compliance program (DISC), or other similar standards that you have agreed to in a **merchant service agreement** with a financial institution, that apply to you.

PCI attestation of compliance means the declaration of compliance status with the Payment Card Industry Data Security Standards program found in the **PCI self-assessment questionnaire** that applies to you.

PCI forensic investigation means a professional review of your computer systems by a **qualified forensic investigator** to determine your compliance with the **payment card security standards**.

PCI self-assessment questionnaire means the questionnaire, developed by the Payment Card Industry Security Standards Council, that assists you in self-evaluating your compliance with the **payment card security standards**.

Promotions expense means expenses you incur to attract **affected individuals** to your business following a **personal data compromise**. **Promotions expense** includes, but is not limited to advertising, direct mail, discount coupons or gift certificates and conducting promotional events. **Promotions expense** do not include expenses you would have incurred had you not discovered a **personal data compromise**.

Qualified forensic investigator means an organization approved by the applicable **payment card** issuing bank to conduct forensic investigations following a **personal data compromise**.

Qualified security assessor means an individual or organization certified by the Payment Card Industry Security Standards Council to perform assessment of compliance with **payment card security standards**.

Response communication costs means reasonable fees and costs you incur for the services of a public relations or similar professional communications organization in assisting or advising you to minimize negative publicity and restore or otherwise positively communicate your image to the general public following the **personal data compromise**. This does not include time or expenses incurred by your employees in your in-house public relations or communications department that is not directly related to the **personal data compromise**.

All other provisions of this policy apply.

SERFF Tracking Number: FFDC-125877716 *State:* Arkansas
First Filing Company: American Automobile Insurance Company, ... *State Tracking Number:* EFT \$50
Company Tracking Number: NARCM0208
TOI: 09.0 Inland Marine *Sub-TOI:* 09.0005 Other Commercial Inland Marine
Product Name: Payment Card Security Extra Expense Extension Endorsement
Project Name/Number: Payment Card Security Extra Expense Extension Endorsement/NWCM0208

Rate Information

Rate data does NOT apply to filing.

SERFF Tracking Number: FFDC-125877716 State: Arkansas
First Filing Company: American Automobile Insurance Company, ... State Tracking Number: EFT \$50
Company Tracking Number: NARCM0208
TOI: 09.0 Inland Marine Sub-TOI: 09.0005 Other Commercial Inland Marine
Product Name: Payment Card Security Extra Expense Extension Endorsement
Project Name/Number: Payment Card Security Extra Expense Extension Endorsement/NWCM0208

Supporting Document Schedules

Satisfied -Name: Uniform Transmittal Document-
Property & Casualty **Review Status:** Approved 10/30/2008

Comments:

Attachments:

NAIC Transmittal.pdf
Form Filing Schedule.pdf

Satisfied -Name: Cover Letter **Review Status:** Approved 10/30/2008

Comments:

Attachment:

Cover Letter NWCM0208.pdf

Property & Casualty Transmittal Document

1. Reserved for Insurance Dept. Use Only	2. Insurance Department Use only a. Date the filing is received: b. Analyst: c. Disposition: d. Date of disposition of the filing: e. Effective date of filing: <table style="width: 100%; border: none;"> <tr> <td style="width: 60%; border: none;">New Business</td> <td style="border: none;"></td> </tr> <tr> <td style="border: none;">Renewal Business</td> <td style="border: none;"></td> </tr> </table> f. State Filing #: g. SERFF Filing #: h. Subject Codes	New Business		Renewal Business	
New Business					
Renewal Business					

3. Group Name	Group NAIC #
Fireman's Fund Insurance Companies	0761

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
Fireman's Fund Insurance Company	CA	21873	94-1610280	
National Surety Corporation	IL	21881	36-2704643	
The American Insurance Company	NE	21857	22-0731810	
Associated Indemnity Corporation	CA	21865	22-1708002	
American Automobile Insurance Compnay	MO	21849	22-1608585	

5. Company Tracking Number	NARCM0208
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Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

6.	Name and address	Title	Telephone #s	FAX #	e-mail
	Michelle A. Davanzo	Regulatory Analyst	(415) 899-2660	866-290-0671	Michelle.davanzo@ffic.com

7. Signature of authorized filer	<i>Michelle A. Davanzo</i>
8. Please print name of authorized filer	Michelle A. Davanzo

Filing information (see General Instructions for descriptions of these fields)

9. Type of Insurance (TOI)	Commercial Inland Marine (09.0)
10. Sub-Type of Insurance (Sub-TOI)	Commercial Inland Marine (09.0005)
11. State Specific Product code(s)(if applicable)[See State Specific Requirements]	
12. Company Program Title (Marketing title)	
13. Filing Type	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input checked="" type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)
14. Effective Date(s) Requested	New: 01-01-2009 Renewal: 01-01-2009
15. Reference Filing?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
16. Reference Organization (if applicable)	
17. Reference Organization # & Title	
18. Company's Date of Filing	10-29-2008
19. Status of filing in domicile	<input type="checkbox"/> Not Filed <input checked="" type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

Property & Casualty Transmittal Document—

20.	This filing transmittal is part of Company Tracking #	NARCM0208
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21.	Filing Description [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]
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Enclosed for your review and approval are new optional coverage forms for Commercial Inland Marine (non-filed class) that can be added to our Commercial Package and ABC Package policies that currently have our Inland Marine Data Compromise Coverage form attached to the policy.

These coverage forms will be added at the sole option of the insured to either their Commercial Package or ABC Small Business policy.

- Payment Card Security Extra Expense Extension Endorsement – 145501 10 08
- Payment Card Security Extra Expense Extension Endorsement – AB9364 10 08

This extension endorsement provides reimbursement for specific extra expenses incurred following the breach of payment card personal data including:

- Forensic investigation required by the payment card brands (i.e. Visa) following a data breach involving payment cards
- Upgrades to software and hardware systems
- Scanning services after software and hardware system upgrades
- Certain contract penalties outlined in the insured's merchant service agreement with their banks
- Response communication expenses to promote the insured's positive reputation following a data breach
- Customer promotion expenses to promote the insured's positive reputation following a data breach

Your approval of this filing, which has a proposed effective date of January 1, 2009, would be appreciated.

22.	Filing Fees (Filer must provide check # and fee amount if applicable) [If a state requires you to show how you calculated your filing fees, place that calculation below]
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Check #:
Amount:

Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.

*****Refer to the each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)**

PROPERTY & CASUALTY FORM FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes forms.)
 (Do **not** refer to the body of the filing for the forms listing, unless allowed by the state.)

This filing transmittal is part of Company Tracking #			NARCM0208		
This filing corresponds to rate/rule filing number (Company tracking number of rate/rule filing, if applicable)					
	Form Name/ Description/Synopsis	Form# Include edition Date	Replacement Or Withdrawn	If replacement, give form # it replaces	Previous state filing number, (if required by state)
1	Payment Card Security Extra Expense Extension Endorsement	145501 10 08	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
2	Payment Card Security Extra Expense Extension Endorsement	AB9364 10 08	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
3			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
4			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
5			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
6			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
7			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
8			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
9			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
10			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
11			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		

Fireman's Fund
Insurance Company



October 29, 2008

Honorable Julie Benafield Bowman
Commissioner of Insurance
Arkansas Insurance Department
1200 West Third Street
Little Rock, Arkansas 72201-1904

RE: COMMERCIAL INLAND MARINE
PAYMENT SECURITY CARD EXTRA EXPENSE EXTENSION ENDORSEMENT
FORM FILING
Fireman's Fund Insurance Company 0761-21873
The American Insurance Company 0761-21857
National Surety Corporation 0761-21881
Associated Indemnity Corporation 0761-21865
American Automobile Insurance Company 0761-21849
Company Filing #NARCM0208

Dear Sir or Madam:

Enclosed for your review and approval are new optional coverage forms for Commercial Inland Marine (non-filed class) that can be added to our Commercial Package and ABC Package policies that currently have our Inland Marine Data Compromise Coverage form attached to the policy.

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- Certain contract penalties outlined in the insured's merchant service agreement with their banks
- Response communication expenses to promote the insured's positive reputation following a data breach
- Customer promotion expenses to promote the insured's positive reputation following a data breach

Your approval of this filing, which has a proposed effective date of January 1, 2009, would be appreciated.

777 San Marin Drive
Novato, CA 94998
Phone 415.899.2000

Allianz Group

Sincerely,



Michelle A. Davanzo
Regulatory Analyst
Commercial Business
Fireman's Fund Insurance Company
415-899-2660 (p)
866-290-0671 (f)
mdavanzo@ffic.com