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Subject: Coverage Change - Cyber Liability Coverage
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To: Undisclosed recipients;



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Good morning NIRMA Members,

Next Monday the 30th you will be receiving an email asking you to complete the 2023-2024 Renewal Application for the upcoming 7/1/2023 - 7/1/2024 coverage period. The email transmitting that application will provide you with guidance and instruction in detail to assist in your completion and submission of the required renewal material. The application is basically the same as in the past with the exception of the Cyber Liability Information section.

As you likely know the Cyber liability insurance world is evolving constantly. Cyber losses and the prospect of loss have captured the attention of cyber underwriters and NIRMA's reinsurance underwriters are not immune from that focus. You will find the Cyber Liability Information section of the Renewal Application has been revised to seek more detailed information related to how your county/agency address cyber security matters. The cyber liability coverage is provided by the Privacy or Security Event Liability and Expense coverage (Coverage Part E) in your Liability Package Coverage Agreement.

Of note, higher or increased limits of liability for the cyber security exposure are no longer available. Currently most members have a \$2,000,000 cyber limit of liability. Several members have purchased a \$5,000,000 cyber limit of liability. Effective with our 7/1/2023 renewal the standard limit of liability for cyber coverage for all members will be \$1,000,000. An additional \$1,000,000 of coverage for a total \$2,000,000 limit of liability will be available for those who formally request the additional \$1,000,000 limit on the Renewal Application. And the additional \$1,000,000 will be granted if our cyber reinsurance underwriters feel the responses to the questions posed on the Cyber Liability Information portion of the Renewal Application have been answered satisfactorily. A \$1,000,000 cyber liability limit may not be a concern for some of our members but it is a reduction of coverage from what has been the \$2,000,000 standard in the past and for those members who purchased a \$5,000,000 limit of liability for the current coverage period.

We regret having to advise members of the tighter cyber underwriting criteria and the reduced availability of coverage limits but that is the cyber insurance coverage world we are living in. That has led to many other public agencies having much lower coverage limits or being unable to obtain cyber coverage altogether. NIRMA prides itself on making coverage that meets and in many instances exceeds the coverage generally available in the traditional insurance marketplace and even with these changes will continue to do that with our cyber coverage.

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