Greater Cleveland Regional Transit Authority

CYBER LIABILITY INSURANCE PROGRAM RENEWAL
December 24, 2022

Presented to: Audit, Safety Compliance, and Real Estate Committee
December 6, 2022
GCRTA purchased a Cyber Liability Insurance policy for the first time in December of 2020.

- Current Policy Limit: $5 million, Self-Insured Retention $100,000
- Policy provides both Third Party Liability and First Party coverages
- Cyber Liability insurance market is extremely unfavorable due to frequency and severity of losses; ransomware attacks, etc.
- Expect reduction in limits, premium increases. Current: $79,992
Cyber Liability Insurance Program
12-24-22 Renewal

Key Coverages include:

• **Security & Privacy Liability**: provides legal liability coverage to cover lawsuits that might arise from an unauthorized release of personal identifiable, protected health or third-party corporate confidential information. Coverage includes damages assessed and legal defense expenses incurred.

• **Breach Response Fund**: provides coverage for 1st party costs incurred to provide notification mailings to affected persons, call center support, credit monitoring services, identity theft protection services, identity restoration services, etc.
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Key Coverages, cont.

• **Cyber Extortion:** covers costs associated with responding to an extortion attempt involving the Insured’s network or data.

• **Network Interruption:** provides coverage for loss of income and extra expenses incurred due to a covered Network Security Event.

• **Data Asset Protection:** provides coverage to cover the cost of replacing, recreating or restoring data that is lost or damaged due to a covered Network Security Event.
Cyber Market Update

### National Market Update – Aggregate - Rate Forecast

<table>
<thead>
<tr>
<th>Product Line/Market Update*</th>
<th>3rd Quarter 2022</th>
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<tbody>
<tr>
<td>Network Security &amp; Privacy (Cyber)</td>
<td>+20% to +45%</td>
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* Recent public entity renewals have been coming in with 30% premium increases.

- Increased Ransomware Activity
- Increased Excess Rates
- Privacy Regulatory Changes
- Premium and SIR Changes
- Territorial Restrictions/Conflicts
- Additional Underwriting Requirements – Technical Underwriting
  - Scans – Implications & Use
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• Final Proposal received on 11-22-22 from USI
• Seven markets approached for possible competitive proposals given dire state of market, all declined due to nature of account (public entity) or lack of ability to compete with current pricing
• Incumbent market, Cowbell, provided excellent quote
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• Against all expectations, Cowbell has quoted a flat renewal for the 12-month period: $79,991 vs. $79,992 expiring premium – vs. the 40% increase budgeted.

• GCRTA’s IT team received compliments on its improvement of various security metrics, as measured in a security dashboard, provided by Cowbell.
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• RM asked for an option with an extended renewal term in order to move the renewal date from this very inconvenient date of December 24th.

• Cowbell did provide a quote for a 14-month policy period at the same rate, the premium is $93,519 and this is the recommendation of the RM Department.

• Still 16% below the budgeted amount of $111,989.
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• Will not be bringing a resolution to the Board as the $93,519 premium is below the threshold of $100,000.
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12-24-22 Renewal

Questions?