



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

Cyber Liability Insurance Program

12-24-22 Renewal

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.

Cyber Liability Insurance Program

12-24-22 Renewal

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

Product Line/Market Update*	3 rd Quarter 2022
Network Security & Privacy (Cyber)	+20% to +45%

* 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



Cyber Liability Insurance Program 12-24-22 Renewal

- 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.

Cyber Liability Insurance Program

12-24-22 Renewal

- 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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Questions?