



COVERAGE FORM UPDATES 2024-2025

Cyber Liability

Reminder - Cyber liability coverage will be an option as of July 1, 2024, and there is a minimal premium charge. If you did not complete your cyber questionnaire with your renewal application, then you will have no cyber liability protection.

Member annual aggregate limit remains at \$1 million

Policy annual aggregate limit for the program has been increased from \$5 million to \$10 million

Cyber ransomware limit has been increased from \$250,000 each claim to \$300,000, subject to the \$1 million member annual aggregate

Regulatory defense and penalties increased from \$100,000 to \$1 million, subject to the \$1 million member annual aggregate.

Reputational loss increased from \$25,000 to \$1 million, subject to the \$1 million member annual aggregate.

Business interruption loss increased from \$100,000 to \$1 million, subject to the \$1 million member annual aggregate.

Payment card industry liabilities and costs increased from \$100,000 to \$1 million, subject to the \$1 million member annual aggregate

Addition of contingent business interruption at \$50,000, subject to the \$1 million member annual aggregate

Data recovery costs increased from \$250,000 to \$1 million, subject to the \$1 million member annual aggregate.

Addition of betterment expense, reward expense, and attendance expense \$25,000, subject to \$1 million member annual aggregate

Out-Of-Band Authentication continues to be required for claims arising from e-crime incidents such as fraudulent wire transfer of funds. You must verify that the instructions received for funds transfer or personal information release have been verified by contacting a previous or alternative contact to confirm the request via a different method than from which it was received. If the request becomes a cyber claim and the out-of-band documentation cannot be verified, there could be potential coverage gaps.

The deductible for the e-Crime coverage remains at \$5,000. The deductible for all other cyber coverage will continue to be \$50,000. Underwriting will review completed cyber questionnaires to determine achieved levels for multi-factor authentication, data backup and disaster recovery, advanced threat protection, and endpoint detection and response. Your cyber coverage will be noted to reduce this \$50,000 to \$5,000 if these items are implemented.



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Increased Cyber Ransomware Limits

NEW for July 1, 2024 - Members that elect to continue their cyber liability coverage have the option to apply to increase the limit for ransomware from \$300,000 to \$1 million for a very minimal premium charge - subject to completion of an additional application, no prior cyber losses for the past five years, full multi-factor authentication, air-gapped backups, endpoint security, and phishing training.

Law Enforcement

Reminder - Coverage was added in 2022 with a limit of \$5,000 per police officer for defense coverage when an officer involved in a critical incident needs to hire a defense attorney.

General Liability

Reminder - The exclusion for the “insured” ownership, management, manufacture, operation, storage, handling, detonation, or use of fireworks or pyrotechnical displays still applies; however, an exception was added in 2023 to provide up to \$1 million each occurrence for display fireworks if the “insured” has met all of the requirements of KRS 227.710. There is no additional premium for this exception. If the “insured” hires a professional licensed pyrotechnician for the fireworks display, then the exclusion will not apply, but coverage does not extend to the licensed pyrotechnician.

General Liability, Public Officials Liability, and Law Enforcement Liability

The cancellation provision has been amended to remove the failure to pay the applicable reimbursable deductible.

Sewer Backup Liability

Reminder - Sewer backup liability is excluded from the general liability coverage form. Options are available to add this coverage with sublimits and deductibles, including an option for no-fault coverage.

Property

Limited coverage has been added for property damage as a result of a cyber liability incident

New sabotage and terrorism coverage form has been added to clarify coverage

Due to reinsurance requirements, an additional condition has been added that clarifies in the event of a property claim, you cannot transfer the interest of your property to any third party.

Definition of “occurrence” has been added to policy definitions

Auto

Reminder - Coverage for auto physical damage is available for certain vehicles for stated amount or replacement cost - otherwise coverage is paid at actual cash value.

Definition of “occurrence” has been added to policy definitions