

# DEKALB COUNTY SCHOOL DISTRICT

**Excess Cyber Risk Insurance Renewal  
Indication  
July 1, 2024 to July 1, 2025**

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**Prepared by:  
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# EXECUTIVE SUMMARY

Edgewood Partners Insurance Center (EPIC) is pleased to represent DeKalb County School District (DCSD) in its risk management and insurance programs. EPIC is committed to providing you with quality products and services that exceed your expectations. Accordingly, our purpose is to assist every employee and to act on your behalf with others in protecting the human and physical assets of DeKalb County School District and its ability to deliver education and other critical services. Like DeKalb County School District, EPIC measures success by how well we meet the needs of our Clients. Therefore, your input is critical in shaping the quality of services we bring to you.

Today, we are presenting DCSD with an early indication of the July 1, 2024 to July 1, 2025 Excess Cyber Liability Insurance Renewal Pricing. We expect to receive the final quotation between the last week of May and the first week of June. Upon receipt we will remit the proposal expeditiously.

The APIP program currently provides coverage for the District's Cyber Liability (Underlying) coverage. Cyber insurance continues to become more competitive, challenging incumbents and rewarding insureds that have increased their security posture with multifactor authentication (MFA), endpoint detection and response (EDR), and segregated backups. With that said, we have seen an increase in threat actors, particularly those that take advantage of business email compromise and ransomware. We've also seen an increased number of attacks based on either a group trying to further their own social agenda or a group trying to fight the agenda of a policy or group they don't agree with.

Despite an overall decline in incidents, fraudulent instruction events are on the rise, according to the report. The data shows fraudulent instruction as a cause of loss is up from 2021 in nearly every industry sector, except education. Meanwhile, system infiltration as a cause of loss declined for all industries other than health care.

The next six to 12 months will be critical. We expect soft market conditions in the interim, but for classes such as Healthcare, Education, Payment Processing, Casinos/Gaming and Public Entities, market conditions may deteriorate swiftly.

Despite the improvement in controls overall, threat actors are continuing to find more innovative techniques to get around them. We approached some markets with the Cyber Liability application completed by the District. Due to the application being incomplete as well as the need for additional information, they were unable to provide a quotation within the District's tight proposal need by date. With expected increases of 50% -100% for Cyber Liability, we do not deem separating all three coverages in the marketplace i.e. Cyber Liability, Property, and Automobile Physical Damage will garner any premium savings to the District.

Below is a synopsis of the marketing effort. Due to the current market conditions as well the competitiveness of the APIP packaged policy, the results would not significantly differ.

Carrier	Response
Liberty Surplus Insurance Corporation (Incumbent)	Quoted.
AXA/ XL	Not Competitive. Would require at least a \$750K SIR.
Zurich	Declined. Not within their appetite
Resilience	Declined. Requires fully completed Cyber application as well as additional time to underwrite.
Travelers	Declined. Not within their appetite.
Coalition	Not Competitive. Would require at least a \$500K SIR.

# EXECUTIVE SUMMARY

We look forward to presenting this Renewal Indication to you. Thank you for allowing EPIC Insurance Brokers & Consultants to serve as an extension of your Risk Management Department. We appreciate your continued support. We're confident that this renewal will continue to provide you with excellent value, which we define as the combination of an extremely broad coverage form, competitive rates and outstanding service.

Should you have questions or concerns, please feel free to contact us.

## EXCESS CYBER LIABILITY

<b>COMPANY:</b>	Liberty Surplus Insurance Corporation	<b>POLICY TERM</b>	07/01/2024 to 07/01/2025
<b>POLICY #:</b>	TBD	<b>PREMIUM:</b>	\$138,000 Pure Premium \$ 350 Wholesale Broker Fee <u>\$5,534 Surplus Lines Tax (4%)</u> \$143,884 Total Premium

**Retroactive Date:** Follows APIP Cyber Underlying Policy

**Coverage Form:** Follow Form- Claims Made & Reported

**Coverage & Limits:** \$2,000,000 Each Member Aggregate  
\$2, 000,000 Policy Aggregate

Underlying Insurance	Layer	Insurer	Limits	Retention	Policy Period
	Primary	Beazley	\$2,000,000	Follows APIP Cyber	07/01/2024 to 07/01/2025

Sub- Limits (Per Member and Policy Aggregate)	Dedicated Limits In Excess of APIP Core
Breach Response/ Notification Expense Costs	\$500,000 (Non- Beazley Vendors) \$1,000,000 (Beazley Vendors)
Business Interruption resulting from a System Failure	\$500,000
Dependent Business Interruption resulting from a Security Breach	\$750,000
Cyber Extortion Loss	\$750,000
Data Recovery Loss	\$750,000
Business Interruption resulting from a Security Breach	\$750,000
Dependent Business Interruption resulting from a System Failure	\$100,000
Fraudulent Instruction	\$75,000
Funds Transfer Fraud	\$75,000
Telephone Fraud	\$75,000
Computer Hardware Replacement (Bricking)	\$200,000

## EXCESS CYBER LIABILITY

Sub- Limits (Per Member and Policy Aggregate)	Dedicated Limits In Excess of APiP Core
Invoice Manipulation	\$100,000
Reputation Loss	\$200,000
Claims Preparation Costs For Reputation Loss Claims Only	NIL
Criminal Reward	NIL
Cryptojacking	NIL

### Group 1 Sub-limits subject to Qualifiers:

- Breach Response Costs
- Business Interruption System Failure
- Business Interruption Security Breach
- DBI System Failure
- DBI Security Breach
- Cyber Extortion Loss
- Data Recovery Costs
- Computer Hardware Replacement
- Reputational Loss

-Group 1, As a condition precedent to the coverage specified in Group 1, the Insured must have satisfied the following conditions prior to the occurrence of such incident. Claim or Loss:

- a. Enforce Multifactor Authentication for all remote and privileged access
- b. Close all RDP ports if not in use
- c. If RDP ports are in use:
  1. Restrict RDP access by IP addresses via firewall rules and only allow trusted IP addresses to access the port
  2. Place all RDP services behind a VPN and protect them using Two- Factor Authentication

### Group 2 Sub-limits subject to Qualifiers:

- Fraudulent Instruction
- Telephone Fraud
- Funds Transfer Fraud
- Invoice Manipulation

-Group 2, As a condition precedent to the coverage specified in Group 2, the Insured must have satisfied the following conditions prior to the occurrence of such incident, Claim or Loss:

- a. Provided formal training to employees with respect to computer crime and social engineering
- b. Required multiple forms of verification for all fund transfers and all changes to client, vendor or supplier details such as routing numbers, account numbers and phone numbers.

### Endorsements & Exclusions:

- Sanction Limitation and Exclusion Clause-1
- Warranty Endorsement
- Pending & Prior Litigation Endorsement
- Following Specified Sublimit- With Conditions
- Disclosure- Terrorism Risk Insurance Act

## EXCESS CYBER LIABILITY

### NOTES

- Quote terms, conditions, and premiums subject to change depending on the APIP cyber program's underlying aggregate program limit
- BI and DBI coverages subject to \$750K aggregate sublimit, as per underlying Beazley policy

## PREMIUM SUMMARY RECAP

Coverage	Policy Period	Premium
Excess Cyber Liability (\$2M xs \$2M)	07/01/2024 to 07/01/2025	\$143,884
Total		\$143,884

Companies/ A.M. Best's Rating	Payment Plan
Liberty Surplus Insurance Corporation/ A.M. Best Rated A (Excellent) Financial Size Category: XV (\$2 Billion Or Greater)	Paid In Full Upon Binding

***The cost reflected below is an early indication of the renewal quotation expected to be received June 1<sup>st</sup> . Should the final quotation totals exceed that provided below, APIP is not bound by that which is reflected in this indication.***

**NOTES:**

- This indication is based on the current loss experience, market conditions, increases in underwriting information and is subject to change if this insured's loss ratio deteriorates further and/ or if the markets suffer a catastrophic event.
- Coverage outlined in this Proposal is subject to the terms and conditions set forth in the policy.
- Please refer to the Policy for specific terms, conditions and exclusions.
- Change in total Insurable Values (TIV) will result in adjustment in premium.