



# UPDATE

June 2016

## NDIRF DATA BREACH AND CYBER LIABILITY COVERAGE

As technology and data play a growing role in the day to day activities of North Dakota's political subdivisions, new liability exposures are being created. As exposures evolve, NDIRF coverage also evolves. In response to the changing risk landscape created through the expanding use of technology and data, the NDIRF will begin providing Data Breach Coverage effective 08/01/16 through the use of the Data Breach Coverage Endorsement. The Data Breach Coverage Endorsement will be attached to every NDIRF Liability Memorandum of Coverage effective on or after 08/01/16.

A Data Breach Questionnaire will be included with the NDIRF Liability Application. The Data Breach Questionnaire will ask a few brief questions regarding each member's data breach exposure. If a NDIRF member is asked to complete the Data Breach Questionnaire, please note that its completion is required in order for the NDIRF to process the Liability Memorandum of Coverage renewal.

A factor has been added to the NDIRF Liability of Memorandum of Coverage contribution calculation to contemplate the additional coverage included in the Data Breach Coverage Endorsement. The factor will result in Liability Memorandum of Coverage contributions increasing approximately 4%.

For NDIRF members with renewals after 08/01/16 who would like Data Breach Coverage added prior to their next renewal, the NDIRF will add the Data Breach Coverage Endorsement midterm and the subsequent charge for the coverage will be prorated. All requests for midterm additions of the Data Breach Coverage Endorsement can be made through the NDIRF member's local agent.

A \$250,000 Data Breach Coverage Aggregate Limit, including \$250,000 aggregate limits for Data Breach Liability and Data Breach Expense Coverage, will be included for every NDIRF member. While the NDIRF understands the included limits may be adequate for the majority of the NDIRF membership, the NDIRF also recognizes that some NDIRF members may want higher limits. The NDIRF will be offering higher limits upon review of additional underwriting information and after a determination of acceptability has been made. All requests for higher limit quotes should be made through the NDIRF member's local agent.

The Data Breach Coverage Endorsement is just one piece of the comprehensive cyber coverage available to NDIRF members. The NDIRF Liability Memorandum of Coverage does not contain a cyber exclusion and will provide coverage for a claim or suit brought against a NDIRF member arising out of a cyber incident, subject to the terms and conditions of the Liability Memorandum of Coverage. An occurrence arising out of a cyber incident will be afforded the same coverage limits and defense as a traditional liability occurrence.

A brochure highlighting NDIRF Data Breach and Cyber Liability Coverage is included with this letter. Copies of the Liability Memorandum of Coverage and the Data Breach Coverage Endorsement are available at [www.ndirf.com](http://www.ndirf.com).

Please contact NDIRF Risk Services Manager, Brennan Quintus, with questions, concerns, or comments about the services or coverage provided by the NDIRF. Brennan can be reached directly at 701-751-9105 or at [Brennan.Quintus@NDIRF.com](mailto:Brennan.Quintus@NDIRF.com).