

## **IMPORTANT NOTICE REGARDING YOUR CYBER PROPOSAL**

The Montana Schools Property and Liability Insurance Plan (MSPLIP) has heard from many Members about the challenges anticipated surrounding cyber insurance coverage with regard to the tiered rating and deductibles associated with the various tiers for the new policy period beginning 07/01/22. While the data behind cyber claims activity within the MSPLIP membership is undeveloped and immature, we have performed some analysis on claims history. With this information and hearing the concerns from members, the MSPLIP Board of Directors has decided to work with our Members and meet them part way toward a solution to this change.

While financial integrity of the MSPLIP Program is of utmost importance, the MSPLIP Management and its Board of Directors has agreed to assist with partially funding of the Member's deductible in the event of a cyber claim. The Board's decision is designed to assist all Members with this deductible change, but also to incent those Members within a tier three or tier four to improve their cyber controls so as to be able to migrate to a tier one or tier two level within the policy period.

Effective 07/01/22, the aforementioned change to the cyber portion of the MSPLIP Program will be as follows:

1. For all tier one and tier two Members, the MSPLIP Program will pay the first \$25,000 of the Member deductible in the event of a cyber claim.
2. For all tier three and tier four Members, the MSPLIP Program will provide a 50%-50% cost-share up to \$25,000 of the Member deductible in the event of a cyber claim. (Ex. claim is \$60,000, the MSPLIP plan will pay \$25,000, with the Member paying \$35,000 under its deductible or if the claim is \$30,000, the plan will pay \$15,000, with the member paying \$15,000).

Aside from the coverage restrictions and coinsurance associated with being in a tier three or tier four Member, which should provide Members incentive to put the adequate cyber controls in place to migrate to a tier one or tier two level, this aforementioned deductible assistance provides further incentive for Members to put these cyber controls in place in an effort to migrate to a tier one or tier two.

Again, the financial integrity of the MSPLIP program is of paramount importance. We are hopeful the Membership understands that this change is met by the Membership as a means of partnership and meeting the Members where they currently are in their cyber resiliency efforts and help them with a timely migration to an improved tier.

Please let us know if you have any questions.



2965 East Tarpon Drive, Suite 130  
Meridian, ID 83642  
Phone: (208) 376-1161

Mac Kirk  
PayneWest Insurance, a Marsh & McLennan Agency LLC Co - Kalispell  
165 Timberwolf Parkway  
Kalispell, MT 59901

Jun 20, 2022

Re: Bigfork Public School District, Ref# 10601331-D  
Proposed Effective 6/20/2022 to 6/20/2023

Dear Mac:

We are pleased to confirm the attached quotation for **Cyber** being offered with **Houston Casualty Company**. This carrier is **Non-Admitted** in the state of **MT**. Please note that this quotation is based on the coverage, terms and conditions as stated in the attached quotation, which may be different from those requested in your original submission. As you are the representative of the Insured, it is incumbent upon you to review the terms of this quotation carefully with your Insured, and reconcile any differences from the terms requested in the original submission. CRC Insurance Services, Inc. disclaims any responsibility for your failure to reconcile with the Insured any differences between the terms quoted as per the attached and those terms originally requested. The attached quotation may not be bound without a fully executed CRC brokerage agreement.

**NOTE: The Insurance Carrier indicated in this quotation reserves the right, at its sole discretion, to amend or withdraw this quotation if it becomes aware of any new, corrected or updated information that is believed to be a material change and consequently would change the original underwriting decision.**

Should coverage be elected as quoted per the attached, Premium and Commission are as follows:

<b>Premium:</b>	<b>\$1,673.00</b>
Broker Fee	\$100.00
Surplus Lines Tax	\$46.01

**Grand Total: \$1,819.01**

**Commission: 11.5%**

**MEP: %**

**Broker Fees & Policy Fees are Fully Earned at Binding**

**NOTE: If insured is located outside your resident state, you must hold appropriate non-resident license prior to binding.**

**If Non Admitted the following applies:**

**Montana Tax Filings are the responsibility of: ( ) Your Agency xx( ) CRC**

NOTICE: This coverage is issued by an unauthorized insurer that is an eligible surplus lines insurer. If this insurer becomes insolvent, there is no coverage by the Montana Insurance Guaranty Association under the Montana Insurance Guaranty Association Act.

Upon requesting quotes and/or placement for the coverage listed herein, the producing retail broker hereby confirms that he/she has performed any and all diligent searches, as may be required by statute, for coverage through licensed carriers or other means of placement, and as necessary maintain proof of declination. Where allowed by governing statutes, "diligent effort" may not require an actual physical search and declination on each risk, but may be based on the retail producing broker's own experience, opinion and overall knowledge of acceptability in the admitted marketplace.

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CRC is compensated in a variety of ways, including commissions and fees paid by insurance companies and fees paid by clients. Some insurance companies pay brokers supplemental commissions (sometimes referred to as "contingent commissions" or "incentive commissions"), which is compensation that is based on a broker's performance with that carrier. These supplemental commissions may be based on volume, profitability, retention, growth or other measures. Even if a contingent commission agreement exists with a carrier, we recognize that our responsibility is to promote the best interests of the policyholder in the selection of an insurance company. For more information on CRC's compensation, please contact your CRC broker.

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### **Financing Insurance Premiums**

Premium financing budgets insurance payments and improves liquidity for other business objectives: working capital, business growth, business expansion.

If your clients choose to pay their insurance in monthly installments, it's fast and easy with AFCO Credit Corporation, which is an affiliate of CRC, providing premium financing solutions for companies across the United States.

You can learn more about how premium financing works and how it can expand your relationship with your clients by emailing [afcodirect@afco.com](mailto:afcodirect@afco.com); or call toll-free **877-317-6437**, option 1. Additional information is available at <https://www.afco.com/partners/crc.html>.

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Sincerely,

Mike Henderson

MHenderson@crcgroup.com

10601331





# Quote for **NetGuard® Plus** Cyber Liability Insurance

June 20, 2022



Producer  
Email

Tina Henry  
[thenry@CRCGroup.com](mailto:thenry@CRCGroup.com)

Tokio Marine HCC - Cyber & Professional Lines

ATLANTA | CHICAGO | CONCORD | ENCINO | MT. KISCO | NEW YORK | SACRAMENTO



# NO ONE DOES CYBER LIKE **TMHCC**

With our innovative NetGuard® Plus cyber policy and robust risk management solution, TMHCC CyberNet®, we keep you a step ahead of cyber threats so you can focus on what matters most: your business.

Being a part of the Tokio Marine Group, one of the world's largest insurance groups, gives us the financial strength to keep you confident and secure.

**Stronger. Smarter. Faster.**

## TMHCC BY THE NUMBERS



**40+ years**  
of innovation in  
specialty insurance

2019

Acquisition by  
Tokio Marine HCC



**Transacts business**  
in over 180 countries  
with \$4.9Billion GWP\*



**Excellent Industry Ratings**  
S&P: A+ | A.M. Best: A++  
Fitch Ratings: AA-

**10+ YEARS**  
UNDERWRITING  
CYBER



**\$170MIL+**  
IN CYBER  
PREMIUM



**600K+**  
COMMERCIAL  
CYBER POLICYHOLDERS



**100+ CARRIERS**  
REINSURE THEIR  
CYBER WITH CPLG



## CYBER CLAIMS EXPERTISE



10+ years  
handling  
claims



2600  
annual  
claims



50+ expert IT,  
Legal, PR  
partners



20+ in-house  
expert claims  
team members



24/7 cyber  
breach hotline



**TMHCC CyberNet™** e-learning risk  
management and training platform available  
to you and your employees:



15 ONLINE  
TRAINING  
COURSES



CYBER  
EXPERT PHONE  
SUPPORT



EMAIL  
NEWSLETTERS/  
ALERTS



WEBINAR  
PRESENTATIONS

\*Figure for the year ended 12/31/19

### State of the Art Cyber

Our innovative cyber products are uniquely designed to keep you informed and your business safe. From underwriting to risk management and expert claims handling, our integrated insurance services offer you a smart, simple solution that you can count on.

[tmhcc.com/cyber](http://tmhcc.com/cyber)





# Introducing Our Cyber Protection Services



## It's simple to set up and use.

Tokio Marine HCC – Cyber & Professional Lines Group (TMHCC - CPLG) offers a Cyber insurance policy that does more than protect you on paper. It gives you access to tools and services that allow you to confidently and securely manage your data and network. With us, you are more than insured, you are prepared.

## System and Data Control Readiness



### Threat Prevention Partnerships

We partner with our insureds to bring value beyond insurance. For example, we have negotiated preferred rates with cyber threat prevention vendors to give our policyholders access to leading-edge cybersecurity tools. We also provide policy discounts for implementing tighter security controls.

**Click the icons below to get more information about our partner solutions and preferred rates.**

[Learn more](#) about  
CrowdStrike's Falcon Prevent  
NGAV and EDR.

 CROWDSTRIKE

[Learn More](#) about Datto's BCDR &  
SaaS Protect, the leading global  
provider of cloud-based software.

 datto

[Learn more](#) about  
Cisco's Duo multifactor  
authentication offering.

 DUO

### Cyber Risk Vulnerability Report



Enclosed is a Cyber Risk Vulnerability report that lets you know what we see at a quick glance. Once you bind with us, we will provide a full comprehensive vulnerability report identifying your network weaknesses and what you can do to remedy any potential security gaps.

### Phishing Test



We run phishing tests to assess your internal and external threats. We'll run a phishing simulation to test your incident response plan and check on employee awareness. If there are any weaknesses, we can help you devise a plan to minimize your exposure to phishing threats.

### Tabletop Testing\*



We test your company's ability to respond to a cyber security incident. The tabletop exercise is designed to simulate a cyber incident so you know what happens and what must be done to protect your company from future threats.

\*For qualifying insureds



# Cyber Services



## Breach Control

When it comes to providing exceptional service and rapid, expert breach response, TMHCC - CPLG's in-house claims team gives careful consideration to the needs of each insured. You also have continuous support to control and manage your network.

Bind your policy with us and experience what it is like to be a TMHCC - CPLG policyholder.



### Monthly Network Scan

Alleviate and fix security vulnerabilities. Through a non-intrusive scan, we assess your internet-facing systems and applications for common vulnerabilities, so you can fix any identified issues. Once you become a policyholder, we continue to monitor monthly to ensure your network remains in good health. If there are any issues, we'll be sure you know about it.



### Cyber Expert Help

You can speak with a Cyber Security expert to talk through legal privacy matters, best practices, vulnerability scans, phishing simulations, trainings, and guides. Need an incident response plan? We've got one for you. Need to focus on ransomware protection? We can help. Go on, ask the experts.



### Knowledge Center Portal

A comprehensive database full of sample data security policies, procedures and agreements, incident response planning materials, risk assessment tools, vendor management resources, step-by-step compliance guidance, and more.

Visit [tmhcccybernet.com](https://tmhcccybernet.com) to learn more.



### Claims Specialists

Our goal is to get you back up and running by reaching a successful resolution. How do we do it? Simple: we manage and handle your claim so you can focus on your customers. We know criminals strike anytime and anywhere, which is why our claims team is there for you 24/7 in the event of a cyber attack.



### Dark Web Security Scans

Often times hackers sell access to a breached network before they execute an attack. We know the places to look to get ahead of a breach. Dark web scans can provide you with an early warning that your domain information has been accessed or breached.



## We Know Risk

Our Underwriter, Giselle Sarkissian, prepared the following non-binding indication for you after reviewing your application, network vulnerability risk scan, and analyzing your overall exposure. Here is what we know about you:

APPLICANT	Bigfork Public School District
STATE	Montana
REFERENCE #	12879774
PRODUCER	CRC Swett
PRODUCER CONTACT	Tina Henry
COMMISSION	
COVERAGE/POLICY TYPE	NetGuard Policy <a href="#">NGP 1000 (4.2020)</a>
CARRIER	Houston Casualty Company (A++ "Superior")
RETROACTIVE DATE	Full Prior Acts.
KNOWLEDGE DATE	Inception
POLICY TERM	One Year





## NETGUARD® PLUS CYBER LIABILITY INSURANCE NON-BINDING INDICATION

Date: June 20, 2022

	Option 1
Maximum Policy Aggregate Limit	1M
Premium	\$1,673
Policy Fee (fully earned on inception)	\$0
Total Payable Premium	\$1,673

### LIMITS PER INSURING AGREEMENT

“NIL” or “N/A” indicates that the Coverage is not included in the quoted premium and that portion of the Policy will not apply.

Third Party Liability Insuring Agreements (Claims Made and Reported Coverage)	
Multimedia Liability Coverage	\$1M/\$1M
Security and Privacy Liability Coverage	\$1M/\$1M
Privacy Regulatory Defense and Penalties Coverage	\$1M/\$1M
PCI DSS Liability Coverage	\$1M/\$1M
Bodily Injury Liability Coverage	\$250K/\$250K
Property Damage Liability Coverage	\$50K/\$50K
TCPA Defense Coverage	\$50K/\$50K
First Party Insuring Agreements (Event Discovered and Reported Coverage)	
Breach Event Costs Coverage	\$1M/\$1M
Post Breach Remediation Costs Coverage	\$25K/\$25K
BrandGuard™ Coverage	\$1M/\$1M
System Failure Coverage	\$1M/\$1M
Dependent System Failure Coverage	\$1M/\$1M
Cyber Extortion Coverage	\$1M/\$1M
Cyber Crime Coverage	
A. Financial Fraud Sublimit	\$250K/\$250K
B. Telecommunications and Utilities Fraud Sublimit	\$250K/\$250K
C. Phishing Fraud Sublimits	
1. Your Phishing Fraud Loss Sublimit	\$250K/\$250K
2. Client Phishing Fraud Loss Sublimit	\$50K/\$50K
3. Phishing Fraud Aggregate Sublimit (C.1. & C. 2 combined)	\$250K
Cyber Crime Aggregate Limit (A., B., & C. combined)	\$250K
Bricking Loss Coverage	\$1M/\$1M
Property Damage Loss Coverage	\$50K/\$50K
Reward Expenses Coverage	\$50K/\$50K
Court Attendance Costs Coverage	\$25K/\$25K
Additional Defense Costs Limit: (Not applicable to Bodily Injury Liability, Property Damage Liability or TCPA Defense Coverage)	NIL
Breach Event Costs Outside the Limit Enhancement:	INCLUDED



## DEDUCTIBLES, WAITING PERIODS, PERIODS OF INDEMNITY AND PERIOD OF RESTORATION

	Option 1
Aggregate Deductible	\$75,000
<b>DEDUCTIBLE PER INSURING AGREEMENT</b>	
Deductibles shown below apply to each claim	
Multimedia Liability Coverage	\$25,000
Security and Privacy Liability Coverage	\$25,000
Privacy Regulatory Defense and Penalties Coverage	\$25,000
PCI DSS Liability Coverage	\$25,000
Bodily Injury Liability Coverage	\$25,000
Property Damage Liability Coverage	\$25,000
TCPA Defense Coverage	\$25,000
Breach Event Costs Coverage	\$25,000
Post Breach Remediation Costs Coverage	\$25,000
BrandGuard™ Coverage	
Waiting Period	2 weeks
Period of Indemnity	12 months
System Failure Coverage	
A. Data Recovery Deductible	\$25,000
B. Non-Physical Business Interruption	
Waiting Period	8 hours
Period of Restoration	12 months
Dependent System Failure Coverage	
A. Data Recovery Deductible	\$25,000
B. Non-Physical Business Interruption	
Waiting Period	12 hours
Period of Indemnity	6 months
Cyber Extortion Coverage	\$25,000
Cyber Crime Coverage	\$25,000
Bricking Loss Coverage	\$25,000
Property Damage Loss Coverage	\$25,000
Reward Expenses Coverage	\$25,000
Court Attendance Costs Coverage	None





### REQUIRED ADDITIONAL UNDERWRITING INFORMATION

All quoted terms are subject to our receipt, review, and acceptance of the following information:

#### **DUE PRIOR TO BINDING:**

- Confirmation of the approximate number of unique records the Applicant collects, stores, hosts, processes, controls, uses or shares that contain any private or sensitive information in either paper or electronic form.

#### **DUE WITHIN 7 DAYS OF BINDING:**

- A resigned TMHCC application, re-dated within 45 days of the effective date.

### NOTES AND APPLICABLE ENDORSEMENTS

<a href="#">NGP1037-42020</a>	Amendment of Choice of Counsel; Attorney Panel
<a href="#">NGP1041-42020</a>	Amendment to add Independent Contractors as Employees
<a href="#">NGP1066-32022</a>	CRC Cyber Amendatory Subsidiary acquisition threshold: 30%
<a href="#">NGP1078-52020</a>	Nuclear Incident Exclusion
<a href="#">NGP1076-42020</a>	Policyholder Disclosure Notice of Terrorism Insurance Coverage
<a href="#">NGP1075-42020</a>	Service of Suit

### TERMS AND CONDITIONS

Third Party Liability Coverage provided on a claims-made and reported basis. First Party Coverage provided on an event discovered and reported basis.

If coverage is bound, the Applicant consents to periodic non-intrusive scans of the Applicant's internet-facing systems/applications for common vulnerabilities. The individual responsible for the Applicant's network security, as designated on the Application for this insurance, will receive direct communications from the Insurer and/or its representatives regarding the results of such scans and any potentially urgent security issues identified in relation to the Applicant's organization.

Payment of premium is due 30 days from the effective date of coverage.

Non-Binding Indication is valid through July 20, 2022. Underwriters reserve the right to change the terms indicated or decline to quote the account.