



**CITY OF NOVI CITY COUNCIL  
JUNE 22, 2026**

**SUBJECT:** Consideration of the City's 2026-2027 cyber insurance coverage with Cowbell in the amount of \$39,397.

**SUBMITTING DEPARTMENT:** Finance

**KEY HIGHLIGHTS:**

- The City has used Cowbell Insurance for cyber insurance coverage since 2025 (via Kapnick Insurance Brokers)
- City Administration recommends this supplemental cyber insurance in addition to the Michigan Municipal League Liability and Property Pool for property and liability coverage

**FINANCIAL IMPACT**

	<b>FY 26/27</b>
<b>EXPENDITURE REQUIRED</b>	<b>\$ 39,397</b>
<b>BUDGET</b>	
Property & Liability Insurance 592-000.00-820.000	<b>\$52,400</b>
<b>APPROPRIATION REQUIRED</b>	<b>\$0</b>
<b>FUND BALANCE IMPACT</b>	<b>\$0</b>

**BACKGROUND INFORMATION:**

The City maintains comprehensive property and liability insurance coverage encompassing all municipal operations, facilities, and assets. Coverage includes City-owned buildings, infrastructure, vehicles, fire apparatus, heavy equipment, employees, elected officials, volunteers, regulatory takings/inverse condemnation, and sewer backup liability.

The June 22, 2026 agenda also includes staff's recommendation to transition the City's property and liability insurance program to the Michigan Municipal League Liability

and Property Pool. Although the MML program provides a base level of cyber coverage, staff has determined that additional protection is warranted given the evolving cyber threat landscape and the potential financial and operational impacts of a cyber incident. Supplemental cyber insurance through Cowbell would provide enhanced coverage for risks such as ransomware, data breaches, cyber extortion, incident response costs, and business interruption, thereby reducing the City's exposure to uninsured cyber losses.

**RECOMMENDED ACTION:** Approval of the City's 2026-2027 cyber insurance coverage with Cowbell in the amount of \$39,397.

## CYBER LIABILITY

Insured by Chaucer Insurance Company DAC (Cowbell Insurance), AM Best Rating A XV **\*Non-Admitted**  
 Effective: 7/1/2026 to 7/1/2027

**Aggregate Limit:** \$3,000,000

### COVERAGES - PRIME 250

LIABILITY EXPENSE	COVERAGE LIMIT	DEDUCTIBLE	WAITING PERIOD	RETRO ACTIVE PERIOD
Liability Costs	\$3,000,000	\$25,000	-	Full Prior Acts
PCI Costs	\$3,000,000	\$25,000	-	Full Prior Acts
Regulatory Costs	\$3,000,000	\$25,000	-	Full Prior Acts

  

FIRST PARTY EXPENSE	COVERAGE LIMIT	DEDUCTIBLE	WAITING PERIOD	RETRO ACTIVE PERIOD
Cowbell Breach Fund	\$3,000,000	\$25,000	-	-
Data Restoration Costs	\$3,000,000	\$25,000	-	-
Extortion Costs	\$3,000,000	\$25,000	-	-
Business Impersonation Costs	\$3,000,000	\$25,000	-	-
Reputational Harm Expense	\$3,000,000	-	12 Hours	07/01/2025

**\*This insurance has been placed with an insurer that is not licensed by the State of Michigan. In the case of insolvency, payment of claims may not be guaranteed.**

## CYBER LIABILITY

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FIRST PARTY LOSS	COVERAGE LIMIT	DEDUCTIBLE	WAITING PERIOD	RETRO ACTIVE PERIOD
Business Interruption Loss	\$3,000,000	\$25,000	8 Hours	-
Contingent Business Interruption Loss	\$3,000,000	\$25,000	8 Hours	-
System Failure	\$3,000,000	\$25,000	8 Hours	-
Contingent System Failure	\$3,000,000	\$25,000	8 Hours	-
Cyber Crime Loss	\$250,000	\$25,000	-	-
Bricking Costs	\$3,000,000	\$25,000	-	-
Criminal Reward Costs	\$100,000	-	-	-

### AMENDATORY ENDORSEMENTS

BIPA Exclusion Endorsement
War Exclusion Endorsement
Amended Cyber Event Amendatory Endorsement
Amend Cooperation Clause
80.0%
Blanket Additional Insured

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## CYBER LIABILITY

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Effective: 7/1/2026 to 7/1/2027

COVERAGE ENDORSEMENTS	COVERAGE LIMIT	DEDUCTIBLE	WAITING PERIOD	RETRO ACTIVE PERIOD
California Consumer Privacy Act	\$3,000,000	\$25,000	-	Full Prior Acts
General Data Protection Regulation	\$3,000,000	\$25,000	-	Full Prior Acts
Utility Fraud Attack	\$100,000	\$25,000	-	-
Media Liability	\$3,000,000	\$25,000	-	Full Prior Acts
Cryptojacking	\$100,000	\$25,000	-	-
Separate Cowbell Breach Fund Costs Endorsement	\$2,000,000	\$25,000	-	-

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# PREMIUM SUMMARY

Property	\$108,132.00
Inland Marine	\$4,243.00
Crime	\$1,059.00
Commercial General Liability	\$73,756.00
Employee Benefit Errors & Omissions Liability	\$475.00
Public Entity Management Liability	\$23,252.00
Employment Practices Liability	\$18,930.00
Law Enforcement Liability	\$51,504.00
Automobile	\$199,058.00
Drone Liability	Included
<b>Cyber Liability</b>	<b>\$37,330.69</b>
Terrorism	\$373.31
Fees	\$750.00
Surplus Lines Tax	\$754.08
Stamping Fee	\$188.52
<b>Excess Liability – Excluding Habitational</b>	<b>\$81,103.00</b>
<b>Excess Liability - Habitational - Meadowbrook</b>	<b>\$54,534.00</b>
Brokerage/Policy Fee	\$650.00
Surplus Lines Tax	\$1,363.35
<b>TOTAL</b>	<b>\$657,455.95</b>

**Total = \$39,396.60**

**(2025 Premium, 2026 Terms Pending)**

**Note:** The above premium quotation is valid for 30 days from date of presentation.