

ARKANSAS INSURANCE DEPARTMENT
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Cyber Risk Matters Renewal News

(2021-2022)

CYBER LIABILITY INSURANCE – All Participating State Agencies, Public Institutions of Higher Education, Boards, Commissions, and Departments Participating in the AMAIT Cyber Liability Insurance Plan Insuring the State of Arkansas Participating State Agency Entities

The Legislature created the Arkansas Multi-Agency Insurance Trust Plan (AMAIT) in 2003. The mission of the Risk Management Division through AMAIT is to provide excellent insurance coverage and allocate the Total Cost of Risk, including the excess insurance cost and the annual aggregate retention, to the participating state government entities. ACT 1188 of 2015 amended the Trust Fund act to allow for Cyber Liability Insurance. Cyber Liability Insurance coverage became effective August 14, 2018, for all participating governmental entities.

The Cyber Liability Insurance Plan, as a part of the AMAIT, is new. The State of Arkansas loss experience to determine expected frequency and severity, so as to establish pricing, is developing. As of 5.15.2021, there have been (41) claims reported in the first (32) months of operation with \$1,950,186* of total incurred losses. The total cost of risk for this insurance plan is increasing by 134%. However, agency premium cost will increase 10% for policy/fiscal year 2021-2022 to help cover the increased cost for the purchase of the excess insurance and the increased cost for the trust fund's financial responsibility for the aggregate retention.

(* Claim reserves continue to increase as the loss development factors increase.)

Should you have any questions regarding your agency premium, please contact the Risk Management Division by phone or email at the following: (501) 371-2690 or insurance.risk.management@arkansas.gov.

SEE ENCLOSED RENEWAL INVOICE.

WE HAVE MOVED! PLEASE NOTE NEW ADDRESS ABOVE