



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

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

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.