## OFFICE OF THE CITY MANAGER LITTLE ROCK, ARKANSAS

## BOARD OF DIRECTORS COMMUNICATION JANUARY 17, 2023 AGENDA

Subject:	Action Required:	Approved By:
A resolution to amend the contract with Crum & Foster to increase the coverage for Cyber Liability Insurance for the period December 10, 2022, to December 10, 2023.	Ordinance √ <b>Resolution</b>	
Submitted By:		
Human Resources Department		Bruce T. Moore City Manager
SYNOPSIS	A resolution to authorize the City Manager to amend the contract with Crum & Forster to provide additional coverage for the City's Cyber Liability Insurance for the term of December 10, 2022, to December 10, 2023.	
FISCAL IMPACT	The initial contract was not to exceed \$200,000.00; however, in order to have increase the coverage, the City is now adding another policy for coverage for an additional \$100,000.00. Funding for the coverage is included in the 2023 Budget Line item for Cyber Liability Insurance.	
RECOMMENDATION	Approval of the resolution.	
BACKGROUND	Before last year's renewal of Cyber Liability Insurance, the City was warned of a hardening cyber market since this coverage was first placed due to increasing losses in the sector and to expect 40% or higher premium increases. The City sought a \$5,000,000.00 limit, but was only able to secure a \$2,000,000.00 limit for \$47,495.76. The premium was higher than the expiring premium for a \$5,000,000.00 limit, but was under the \$50,000.00 threshold which needed Board approval. The incumbent carrier informed the City that they would not renew the policy and that a \$2,000,000.00 limit policy was expected to cost between \$50,000.00 - \$100,000.00 dollars; facts not known to the City until there was a change in Insurance Brokers.	

## BACKGROUND CONTINUED

The City's Insurance Broker took the City's Cyber Liability Insurance Program to market and was able to secure a \$2,000,000.00 cyber liability quote from Crum & Forster.

On December 6, 2022, the Board approved Resolution No. 15,840 enter into a contract with Crum & Forster to secure \$2,000,000.00 for the City's Cyber Liability Insurance Covers for a premium not to exceed \$100,000.00. It is staff's opinion that the initial policy coverage of \$2,000,000.00 is insufficient due to the City's complex information technology structures; therefore, additional coverage was solicited. The additional policy for \$3,000,000.00 is in the best of the City in case of cyberattacks which are becoming a regular event around the nation and the world. The City's Insurance Broker continued to solicit quotes for an additional \$3,000,000.00, which will now bring the total coverage to \$5,000,000.00.