

**OFFICE OF THE CITY MANAGER
LITTLE ROCK, ARKANSAS**

**BOARD OF DIRECTORS COMMUNICATION
DECEMBER 6, 2022 AGENDA**

<p>Subject:</p> <p>Cyber Liability Insurance for December 10, 2022, to December 10, 2023.</p> <p>Submitted By:</p> <p>Human Resources Department</p>	<p>Action Required:</p> <p style="text-align: center;">Ordinance √ Resolution</p>	<p>Approved By:</p> <p style="text-align: right;">Bruce T. Moore City Manager</p>
<p style="text-align: center;">SYNOPSIS</p> <p style="text-align: center;">FISCAL IMPACT</p> <p style="text-align: center;">RECOMMENDATION</p> <p style="text-align: center;">BACKGROUND</p>	<p>A resolution to authorize the City Manager to enter into a contract with Crum & Forster to provide Cyber Liability Insurance for the term of December 10, 2022, to December 10, 2023.</p> <p>The premium is not to exceed \$100,000.00, and funding for the coverage is included in the 2022/2023 budget line item for Cyber Liability Insurance.</p> <p>Approval of the resolution.</p> <p>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 needs Board approval. This year, the incumbent carrier has informed the City that they will not renew the policy and that a \$2,000,000.00 limit policy is expected to cost between \$50,000.00 - \$100,000.00 dollars; facts not known to the City until very recently due to the change in Insurance Brokers.</p>	

**BACKGROUND
CONTINUED**

The City's current Insurance Broker has taken 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 and continues to solicit quotes for an additional \$3,000,000.00. It is the Broker's and staff's recommendation to bind the quote from Crum & Forster not to exceed \$100,000.00 for the term of December 10, 2022, to December 10, 2023.