



## CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 8/10/2021

ALL

Item Creation Date: 7/20/2021

ARA - Cyber Security Insurance Renewal 2021

Agenda Item#: 8.

### **Background:**


The Administration & Regulatory Affairs (ARA) and Houston Information Technology Services (HITS) Departments recommend that City Council: (1) approve the proposed Cyber Insurance policies recommended by the City's Insurance Broker of Record, McGriff, Seibels & Williams of Texas, Inc. (McGriff); and (2) accept the individual proposals from the insurance carriers listed below that are participating in the layered Cyber Insurance program recommended by McGriff.

A Request for Proposals (RFP) for Cyber Insurance was issued and advertised on May 28, 2021 and June 4, 2021 for coverage effective September 1, 2021. Additionally, McGriff solicited proposals from 58 domestic and international insurance carriers of which 3 proposals were received. No individual insurance company proposed more than a \$5 Million limit. Therefore, McGriff structured a multi-layered program, consisting of a primary layer plus two excess layers. Terms of the proposed policy are:

- Term: September 1, 2021 to September 1, 2022
- Insurance Carriers: Indian Harbor Insurance Company; Lloyd's of London
- Total Premium Cost: \$1,151,814
- Insured Limit: \$15,000,000
- Retention: \$5,000,000
- Business Interruption Waiting Period: 10 Hours
- Type of Coverage: Cyber Insurance for a) third party liability claims made against the City, alleging financial loss for failure to protect data, designs, trade secrets and other forms of intellectual property; b) first party coverages including loss of business income, extra expenses and data recovery resulting from a cyber security breach, (c) cyber extortion and ransomware in response to a cyber extortion threat and (d) first party coverage for data breach response, crisis management expenses, including forensics.

Fiscal Note: Funding for this item is included in the FY22 Adopted Budget. Therefore, no Fiscal Note is required as stated in the Financial Policies.

### **Departmental Approval Authority:**

DocuSigned by:  
  
606AE9EC66A94CC  
**Tina Paez, Director**  
**Administration & Regulatory**  
**Affairs Department**

DocuSigned by:  
  
44EE8EE8CCB7481  
**Lisa Kent, Director**  
**Houston Information**  
**Technology Services Department**

### **Prior Council Action:**

8-18-20; Ordinance No. 2020-693

### **Amount of Funding:**

\$1,151,814 Total Policy Premium -- Property / Casualty Fund: 1004

### **Contact Information:**

Lara Cottingham	Phone: (832) 393-8503
Tina Paquet	Phone: (832) 393-8792
Chris Mitchell	Phone: (832) 393-0074