

AGENDA ITEM REPORT

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To: Town Council

Subject: Consider and act upon an Interlocal Agreement with Texas Municipal League (TML) Intergovernmental Risk Pool for Cyber Liability and Data Breach Response Coverage (Cyber Coverage) and authorizing the Town Manager to execute the agreement.

Meeting: Town Council - August 26, 2024

Department: Admin

Staff Contact: Rachel Ramsey

SUGGESTED ACTION:

Staff recommends approval.

BACKGROUND INFORMATION:

Staff was notified by TML of updates to their Cyber Liability and Data Breach Response Coverage. TML noted that since 2016, when the Risk Pool first began offering this coverage, cyber claims have exponentially increased in both frequency and severity. Future cybercriminal activity is impossible to predict, which means neither the Pool nor any other insurer can rely on past patterns and trends to predict future losses. That's why the Board of Trustees recently created a new Cyber Fund and approved changes to the Pool's Coverage structure, effective Oct. 1, 2024.

Members must elect to continue coverage or "opt-in" by completing and returning the Cyber Interlocal Agreement to participate in the newly created Cyber Fund. Members that don't follow the opt-in procedures will lose their existing coverage effective at midnight on September 30, 2024.

There are two different structures of coverage Core and Core+, Staff recommends that the Town opt-in to the Core+ structure. The difference in the two plans is the limit of liability amount that you are covered for, please see detailed sheet in attachment.

FINANCIAL IMPACT:

The annual contribution for this coverage was previously \$247.24. That rate is now increasing to \$1,250, which is an additional cost of \$1,002.76 to the Town.

ATTACHMENTS:

[TML Cyber Coverage and ILA.pdf](#)

