
City Council Regular Meeting

DEPARTMENT: Legal

FROM: Matt Ribitzki, Sr. Deputy City Attorney/Director of Legal Services

MEETING: August 19, 2024

SUBJECT:

Consider approval of an interlocal agreement with the Texas Municipal League Intergovernmental Risk Pool to be a member of the Texas Municipal League Joint Cyber Liability and Data Breach Response Self-Insurance Fund. (*Staff Contract: Matt Ribitzki, Sr. Deputy City Attorney/Director of Legal Services*)

SUMMARY:

The Texas Municipal League Intergovernmental Risk Pool (TMLIRP) was formed by Texas municipalities to provide an accessible and affordable self-insurance program to Texas cities. TMLIRP has been offering cyber liability and data breach response coverage to municipalities throughout Texas through the risk pool since 2016. Currently, the city has cyber liability and data breach response coverage through the TMLIRP risk pool. Because cyber liability claims have increased in both frequency and severity, TMLIRP's board of trustees has created a new cyber fund that is separate from the rest of the risk pool. For current members of the risk pool to maintain their cyber liability coverage, members like the city must enter into a new, separate interlocal agreement with TMLIRP. To maintain its cyber liability coverage, the city must enter into the interlocal agreement by September 30, 2024.

While there is a new interlocal, practically speaking, not much will change as far as the type of coverage the city receives through TMLIRP. Like it does currently, the city will pay TMLIRP an annual contribution for its cyber liability and data breach response coverage like it does for other insurance coverages, such as general liability, law enforcement liability, errors and omissions liability, automobile liability, etc. Each year TMLIRP sets the annual contribution rates for the city based on its coverage limits and deductible amounts, and the contributions are included in the city's annual budget. TMLIRP has not set the annual contribution for the city's cyber liability coverage for Fiscal Year 2024-25. Staff estimate that the cost of the annual contribution for next year's cyber liability and data breach response coverage will be approximately \$45,000.

RECOMMENDATION:

Approve the interlocal agreement with TMLIRP.

PRIOR ACTION/INPUT (Council, Boards, Citizens):

n/a

REFERENCE:

n/a

FISCAL IMPACT:

TMLIRP has not set the annual contributions for the city's cyber liability and data breach response coverage for Fiscal Year 2024-25. Staff estimate that the cost for next year will be approximately \$45,000.

STAFF CONTACT:

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