

# Interlocal for Cyber Liability and Data Breach Response Coverage

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LEGAL DEPARTMENT

PRESENTED TO THE CITY COUNCIL AUGUST 19, 2024

# Interlocal for Cyber Liability Coverage

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- The Texas Municipal League Intergovernmental Risk Pool (TMLIRP) was formed by Texas municipalities over forty years ago to provide an accessible and affordable self-insurance program for Texas cities.
- 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.
- While there is a new interlocal, practically speaking, not much will change as far as the type of cyber coverage the city receives through TMLIRP.
- To maintain its cyber liability coverage, the city must enter into the interlocal agreement by September 30, 2024.

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- In April of 2024, the City increased its level of cyber liability coverage with TMLIRP after implementing dual authentication to access City computers and programs
- In addition to the TMLIRP coverage, the City does have additional liability protection because the City's IT Department utilizes Arctic Wolf security operations as a vendor. Arctic Wolf automatically provides the City with a \$500,000 security operations warranty.
- Through TMLIRP, the City is exploring obtaining additional coverage options through third-party vendors. The City has submitted additional applications for cyber liability coverage, but, at this time, the City has not received quotes and options back.

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## Action Requested:

Approve the 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.

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## Questions/Comments

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