



**City Council  
Regular Meeting**

**April 8, 2025**

## **Interlocal Agreement with Texas Municipal League Intergovernmental Risk Pool for Cyber Coverage**

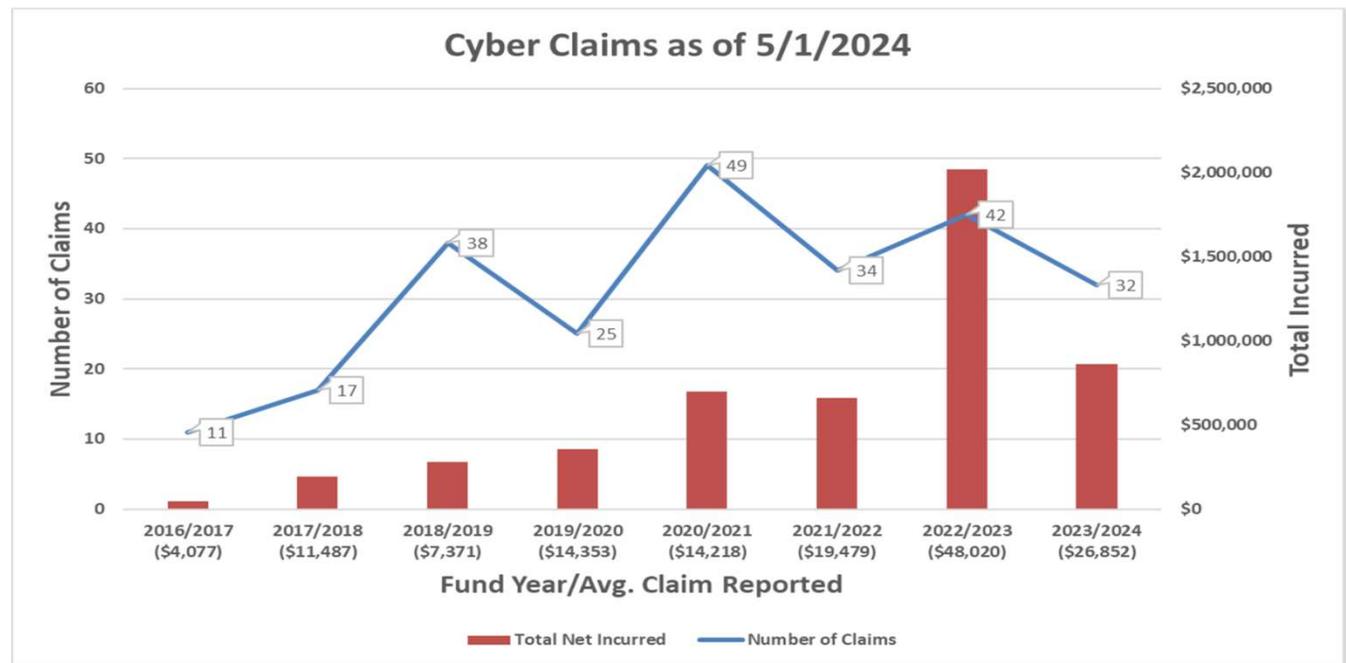
Approval of an interlocal agreement between Texas Municipal League Intergovernmental Risk Pool (the “Pool”) and the City of Burnet to form a joint self-insurance pool to be named the Texas Municipal League Joint Cyber Liability and Data Breach Response Self-Insurance Fund (hereinafter referred to as the “Fund”) for the purpose of providing coverages against risks which are inherent in operating a political subdivision: P. Langford





## Interlocal Agreement with Texas Municipal League Intergovernmental Risk Pool for Cyber Coverage

- In 2016, the Pool began offering complimentary Cyber coverage. Later, as the exposure increased, the Pool began charging a minimal amount for coverage.





## Interlocal Agreement with Texas Municipal League Intergovernmental Risk Pool for Cyber Coverage



- \*Cyber Claims have increased exponentially since 2016
- \*Cyber attacks are becoming more sophisticated and impossible to predict
- \*Pool's exposure could be in the billions if Member's were hit by a coordinated attack



### **New Cyber fund created to ensure the viability of the Pool's Cyber Coverage**

- \*Total annual payout for the Fund is capped at \$25M should criminals execute a widespread attack
- \*The Limit for third party liability has been reduced to \$500,000 or \$1,000,000 depending on option selected





## Interlocal Agreement with Texas Municipal League Intergovernmental Risk Pool for Cyber Coverage Limit Page

	Core	Core+
<b>Tower 1 - Limit of Liability*</b>	\$500,000	\$1,000,000
Data & Network and Media Liability Aggregate Limit of Liability	\$500,000	\$1,000,000
Retention	\$0	\$0
<b>Tower 2 - Limit of Liability</b>	\$100,000	\$250,000
<b><u>First Party Loss</u></b>		
Business Interruption Aggregate Sublimit	\$20,000	\$50,000
Cyber Extortion Loss Aggregate Sublimit	\$25,000	\$50,000
Data Recovery Costs Aggregate Sublimit	\$20,000	\$50,000
Reputational Loss Aggregate Sublimit	\$5,000	\$10,000
Retention (other than Business Interruption)	\$0	\$5,000
Income Loss Retention under Business Interruption	\$5,000	\$5,000
<b><u>Third Party Loss</u></b>		
Regulatory Defense and Penalties Aggregate Sublimit	\$25,000	\$75,000
Payment Card Liabilities & Costs Aggregate Sublimit	\$10,000	\$25,000
Retention	\$0	\$5,000
<b><u>eCrime</u></b>		
Fraudulent Instruction Aggregate Sublimit	\$25,000	\$50,000
Funds Transfer Aggregate Sublimit	\$25,000	\$50,000
Telephone Fraud Aggregate Sublimit	\$25,000	\$50,000
Criminal Reward	\$2,500	\$2,500
Retention (other than Criminal Reward)	\$2,500	\$5,000
Retention Criminal Reward	\$0	\$0
<b>Tower 3 - Limit of Liability</b>	\$100,000	\$150,000
<b>Breach Breach Response Aggregate Limit of Liability</b> Beazley Response Services	\$100,000	\$150,000
Retention	\$0	\$0
<b>New 2024-25 Annual Contribution</b>	<b>\$1,000</b>	<b>\$1,250</b>
<i>Previous 2023-24 Contribution</i>	<i>\$175</i>	<i>\$247.24</i>





# Questions?

## Recommendation

- Staff recommends approval of the interlocal agreement between Texas Municipal League Intergovernmental Risk Pool (the “Pool”) and the City of Burnet.

