



**CITY OF FORT LAUDERDALE  
City Commission Agenda Memo  
REGULAR MEETING**

**#13-0889**

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**TO:** Honorable Mayor & Members of the  
Fort Lauderdale City Commission

**FROM:** Lee R. Feldman, ICMA-CM, City Manager

**DATE:** July 2, 2013

**TITLE:** MOTION - Approving Cyber Liability Insurance Purchase - \$23,181.49

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**Recommendation**

It is recommended that the City Commission approve the purchase of cyber liability insurance in an amount of \$23,181.49 and make a determination that this policy best meets the needs of the City, as prescribed in Code of Ordinances, Section 2-199(3).

**Background**

Due to security concerns related to cyber-attacks, the Insurance Advisory Board recommended that staff evaluate the City's exposure related to cyber-attacks and purchase insurance to mitigate the cost of potential damages. As a result, and as prescribed in Section 2-199(3), Code of Ordinances of the City of Fort Lauderdale, Florida, the City Manager's designee, Risk Management Associates, Inc., d/b/a Public Risk Insurance Agency, negotiated with all available markets and obtained a premium quote of \$23,181.49. While still very new in the insurance industry, this policy will provide coverages to protect the City from many cyber related losses, including privacy liability, regulatory action and network extortion.

Staff, and by recommendation from the Insurance Advisory Board, requests that the City Commission approve the purchase of cyber liability insurance in the amount of \$23,181.49 through AIG Insurance Company, as prescribed in Section 2-199(3) of the Code of Ordinances, for the policy period of August 1, 2013 through October 31, 2014. The additional three months of coverage is for timing regarding the commission approval process, along with negotiating advantages when combined with the City's Public Official and Employment Practices Liability insurance policy.

On April 16, 2013, the City Commission approved CAM 13-0550 (Item M-5) requesting authority to negotiate with all available markets (vote 5-0).

On June 5, 2013, the Insurance Advisory Board met and unanimously approved the premium quote of \$18,515.61 from AIG Insurance Company. The Advisory Board recommended approval of a twelve month policy, which is being extended per the

rationale explained previously. The extension is prorated on a daily basis rather than a monthly basis.

**Resource Impact**

There is a fiscal impact to the City in the amount of \$23,181.49.

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FY Year	FUND	FUND	FUND NAME	INDEX #	INDEX NAME	OBJECT #	SUBOBJECT NAME	AMOUNT
2013	543	01	City Insurance	INS010101	Self-Insurance Claims	5135	Other Carrier Premiums	23,181.49
					<b>TOTAL</b>			23,181.49

Attachment: Premium quotes and coverages (Exhibit 1)

Prepared by: Guy Hine, Risk Manager

Department Director: Averill L. Dorsett, Human Resources Director