



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
REGULAR MEETING

#16-1129

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

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

DATE: October 5, 2016

TITLE: Motion Authorizing Purchase of Cyber Liability Insurance – Illinois Union
Insurance Company (ACE) – \$27,048.

Recommendation

It is recommended that the City Commission approve the purchase of a one-year cyber liability insurance policy from Illinois Union Insurance Company (under the ACE umbrella of companies) in the amount of \$27,048 and make a determination that this contract of insurance with Illinois Union Insurance Company (ACE) best meets the needs of the City, as provided in Section 2-199(1), Code of Ordinances of the City of Fort Lauderdale.

Background

The City's cyber liability insurance policy is scheduled to expire on October 31, 2016. As provided in Section 2-199(1), Code of Ordinances of the City of Fort Lauderdale, the City's contracted agent, Risk Management Associates, Inc., d/b/a Public Risk Insurance Agency, conducted negotiations with available markets, including the current vendor, Illinois National Insurance Company (under the AIG umbrella of companies) and the proposed new vendor, Illinois Union Insurance Company (ACE). The negotiations with Illinois Union Insurance Company (ACE) resulted in a total premium quote of \$27,048, which is an increase of \$6,771 over last year's premium. However, this increase will provide the City with an additional \$1 million in coverage protection, essentially doubling the coverage limits, which was recommended by the Insurance Advisory Board.

This policy provides coverage to protect the City from the many cyber related losses, including privacy liability, security liability, regulatory action, data breach/crisis management, internet media liability, and network extortion. This policy will provide the same coverages as last year's policy, including a self-insured retention level of \$50,000 per claim, along with an additional \$1 million in coverage protection to provide a new limit of \$2 million. The policy is for the period of November 1, 2016 through October 31, 2017. The Insurance Advisory Board reviewed and approved this item at their September 7, 2016 meeting.

Staff, and by recommendation from the Insurance Advisory Board, requests City Commission approval for the purchase of cyber liability insurance policy from Illinois

Union Insurance Company (ACE) in the amount of \$27,048.

Resource Impact

There will be a fiscal impact to the City in the amount of \$27,048 for this contract of insurance.

<i>Funds available as of October 1, 2016</i>					
ACCOUNT NUMBER	INDEX NAME (Program)	OBJECT CODE/ SUB-OBJECT NAME	AMENDED BUDGET (Character)	AVAILABLE BALANCE (Character)	PURCHASE AMOUNT
543-INS010101-5135	Self-Insurance Claims	Non-Operating Expenses /Other Carrier Premiums	\$12,980,000	\$12,980,000	\$27,048
PURCHASE TOTAL ►					\$27,048

Strategic Connections

This item is a *Press Play Fort Lauderdale Strategic Plan 2018* initiative, included within the Internal Support Cylinder of Excellence, specifically advancing:

- Goal 12: Be a leading government organization, managing our resources wisely and sustainably.
- Objective 1: Ensure sound fiscal management.

This item advances the *Fast Forward Fort Lauderdale 2035 Vision Plan: We Are United*.

Attachment(s)

Exhibit 1 – Premium Quote Comparison 16-17

Prepared by: Guy Hine, Risk Manager

Department Director: Averill L. Dorsett, Human Resources Director