



City of Olathe

COUNCIL AGENDA ITEM

MEETING DATE: 5/7/2024

FOCUS AREA: Legal and Quality of Life

STAFF CONTACT: Ron Shaver, Chris Grunewald, Mike Sirna, Barrett Baumgartner

SUBJECT: Consideration of purchasing cyber liability insurance policy from Travelers

TITLE:

Consideration of purchasing cyber liability insurance policy from Travelers.

SUMMARY:

The City's insurance broker, Risk Strategies, was directed to negotiate favorable renewal terms with the incumbent cyber insurance carrier (Beazley) as well as exploring competitive options. Three proposals were received by the deadline and were reviewed by Charlesworth Consulting, the risk management consultants, as well as Legal and IT.

Last year, Beazley offered a premium decrease of 23%. The renewal offered by Beazley includes an additional decrease of 1.3%. However, the alternatives from Axis and Travelers both included cost savings worth considering. The proactive work by the City's internal departments to reduce and minimize the City's cyber liability risk has played an important role in keeping premium competitive and increasing options.

All three programs are comparable with the primary difference being the City's retention (deductible) per claim. There are three offers at the same current policy limits: Beazley's renewal offer is for a \$250,000 per claim retention/deductible which is the same our current Beazley policy; Axis offers \$150,000; and Travelers offers \$25,000. In addition, Travelers has offered an option for higher limits at a premium that is 6.7% lower than the City's current premium and this option includes a \$35,000 per claim retention/deductible.

Staff is recommending selecting cyber liability insurance with Travelers with the higher limits option at a premium of \$113,743 which is a reduction from the current premium. The 1-year policy will be effective May 14, 2024.

FINANCIAL IMPACT:

Adequate funding to cover the premium is contained in the Risk Management Fund.

ACTION NEEDED:

Approve the May 14, 2024 to May 14, 2025 cyber insurance premium in the amount of \$113,743.

ATTACHMENT(S):

None.
