

93756

DATE: June 28, 2022

TO: Board of Acquisition and Contract

FROM: John M. Nonna
County Attorney

SUBJECT: Authority for the County to purchase an insurance policy from Starr Surplus Lines Insurance Company, through the brokerage firm of Marsh USA, Inc., for cyber liability insurance, for the policy period from July 11, 2022 through July 11, 2023, for an amount of \$295,000.00.

By a resolution approved on July 15, 2021, your Honorable Board authorized the County of Westchester (the "County") to purchase an insurance policy from Starr Indemnity & Liability Company, through the brokerage firm of Brown & Brown of New York, Inc., for cyber liability insurance, for the policy period from July 11, 2021 through July 11, 2022, for an amount of \$250,000.00.

Authority is now requested for the County to purchase a cyber liability insurance policy from Starr Surplus Lines Insurance Company, through Marsh USA, Inc., for the policy period from July 11, 2022 through July 11, 2023, for an amount of \$295,000.00 (the "Policy").

This year's premium represents an increase over the prior year's premium, but that is primarily due to change in the policy terms. Under the expiring policy, the County was required to contribute 25% in co-insurance for each claim. Under the new Policy, the County will not be required to contribute any co-insurance. The difference in the new premium due to the elimination of the co-insurance is \$30,000.00, which the Director of Risk Management advises is a justifiable amount to pay in the premium in order to not have to contribute 25% in co-insurance towards every loss during the new Policy's term.

The Policy will provide \$5,000,000.00 in cyber liability coverage with a self-insured retention of \$1,000,000.00. The cyber liability coverage includes coverage for security and privacy liability; incident response expenses; business interruption; data recovery; regulatory proceedings; and cyber extortion.

All other terms and conditions of the Policy will be the same as those in the expiring policy.

The proposed Policy will serve a public purpose by ensuring that the County will have both proper and cost-effective insurance coverage for cyber risks.

The goal and objective of the proposed Policy is to ensure that the County will have both proper and cost-effective insurance coverage for cyber risks.

The goal and objective of the proposed Policy is in the best interests of the County in terms of fiscal responsibility, as it will ensure that the County's insurance coverage for cyber risks is cost-effective;, and will serve to protect County assets in the event of cyber liability.

The goal and objective of the proposed Policy will be tracked and monitored by the County's Office of Risk Management.

The procurement of the Policy is exempt from the County's Procurement Policy and Procedures pursuant to Section 3(a)(v) thereof.

I respectfully recommend the adoption of the attached resolution.

KD/bdm/nn

APPROVED BOARD OF ACQUISITION & CONTRACT - 06/30/2022 RAYMOND SCUKY, SECRETARY

