Utah Risk Management Agency

SPECIAL BOARD MEETING MINUTES

June 20, 2024, 2:00 p.m.
Virtual from URMA Office
502 East 770 North, Orem, UT 84097

Members Present Online: Alex Jensen, Chairman (Layton); Brant Hanson, Vice Chairman (Centerville); Derek Oyler (Brigham City); Paul Bittmenn (Cedar City); Adam Bowler (Enterprise); Paul Roberts (Farmington); Kyler Ludwig (Kanab); Cory Branch (Mapleton); Trudi Simpson (Ogden); Keri Rugg (Orem); Margaret Plane (Park City); Seth Perrins, (Spanish Fork); Duane Huffman (West Bountiful); Eric Bunderson (West Valley City)

Absent: David Dobbins (Draper)

URMA Staff Present Online: David Petersen, Executive Director; Brandon Crowther; Jason Davis; Elizabeth Christensen; Ann Richey; Shianne Wadley

1. **WELCOME** – Alex Jensen, Chairman

   MINUTES

   Mr. Jensen called the meeting to order, thanked everyone for their attendance and turned the time over to Mr. Petersen.

2. **DISCUSSION – CYBER RISK INSURANCE POLICY RENEWAL INFORMATION – DAVID PETERSEN**

   Cyber Risk Insurance Renewal EM 06 13 2024

   MINUTES

   Mr. Petersen explained that during the cyber risk renewal process he inquired about the availability of additional group-purchased coverage. He, Mr. Jensen, and Mr. Hansen agreed that considering additional coverage was a good idea because of the increasing cost of forensic data analysis.

   Mr. Petersen reviewed for the Board the current cyber risk coverage, which is a primary policy with $1 million coverage per claim, $5 million aggregate ($1m/$5m), and *premium cost of $307,835; and secondary policy with an additional $1m/$5m, for premium cost of $188,913; for total cyber risk coverage of $2 million per claim and $10 aggregate. The renewal increase this year is $13,707 (3%) over last year.*

The proposed change is an option to increase the cyber risk insurance coverage portfolio to a $1m/$5m primary layer, and a secondary layer of $2m/$10m for total portfolio coverage of $3m/$15m; with the cyber risk insurance premium increase of $65,791 for the additional coverage.

Mr. Petersen said he was concerned about cyber claims' costs at the individual incident level. He said he had been through this process at BYU and the first $1 million goes extremely fast. He said West Jordan City had an incident recently and they experienced an increase in operating costs (operating costs only - not including restoration costs) of $2 million.

Mr. Petersen said the additional increase would be about $52k, which divided by fifteen cities (not the way it would be divided, using the figure as a rough estimate) is $4k per city. Mr. Petersen said according to the Bylaws, the Board decides the coverage. Mr. Petersen proposed that URMA could pay the increase from reserves the first year, because cities had already prepared their budgets for this year.

Mr. Jensen said the timing is not ideal because of city budgeting timing.

Mr. Perrins said he is not intrigued by more coverage but finds the examples of others' experiences very helpful.

Mr. Petersen explained that it is critical to determine if data is exfiltrated, and the outside costs of $17-25k per day for 3 weeks add up very quickly.

Ms. Plane said Park City has historically had $5m coverage. She believes the coverage increase is prudent and at a great rate; she supports the proposal.

Mr. Perrins said he thought the proposal to have URMA cover year-one is great, using excess funds to provide additional value, but does not believe that is sustainable going forward. He requested that a regular Board meeting be scheduled in June for this same purpose going forward.

3. MOTION

MINUTES & MOTION

Mr. Bittmenn motioned to approve the purchase of additional cyber coverage, with URMA paying the increase the first year. Mr. Oyler seconded the motion.

Mr. Jensen conducted a roll call vote. Voting was unanimous to approve the motion.

Mr. Petersen reminded the Board that the purchase would require a budget adjustment at the August Board meeting.

4. ADJOURN

MINUTES

Mr. Jensen adjourned the meeting at 2:20 p.m.

APPROVED THIS 1st day of AUGUST, 2024,

Utah Risk Management Agency

Alex Jensen, Chairman of the Board

ATTEST:

Ann Richey, Secretary