

Executive Summary

Audit Committee Meeting, September 24, 2025
Board of Governors Meeting, September 24, 2025

Cyber Liability Insurance

Topic

Citizens is requesting approval to contract for Cyber Liability Insurance for a one-year policy term for an estimated premium of \$220,000. Coverage is through AIG Specialty Insurance Company. (AIG)

History

Citizens has purchased Cyber Liability Insurance since 2015. Citizens is requesting approval to continue this coverage for an additional year at the policy limits and retention thresholds specified in Exhibit A. The coverages, policy limits and retention thresholds are provided separately in Exhibit A consistent with confidentiality protections provided under Section 119.0725, Florida Statutes.

The proposed coverage is through AIG. Citizens previously purchased coverage through a Lloyd's of London syndicate, Canopus. Premium is approximately 20 percent lower than the premium Citizens paid last year to Canopus.

Quotes for coverage were obtained by our contracted Business Insurance Agent of Record, Arthur J. Gallagher. Gallagher is responsible for soliciting quotes from the market and presenting them to Citizens with a comparative analysis and recommendations. Citizens procured this contract with Gallagher in 2021 pursuant to Request for Proposal No. 21-0008 for Business Insurance Agent of Record. The Board approved the contract on July 14, 2021. It includes a three (3) year base term and a two (2) year renewal term.

Gallagher targeted ten companies for renewal quotation this year. AIG and Arch tied for lowest priced quote. AIG is recommended over Arch based on incident response support offerings.

Recommendation

The recommendation is included in the Consent Item.

☐ **ACTION ITEM**

☐ **New Contract**

☐ **Contract Amendment**

☐ **Other** _____

☒ **CONSENT ITEM**

☒ **New Contract**

☐ **Contract Amendment**

☐ **Existing Contract Extension**

☐ **Existing Contract Additional Spend**

☐ **Previous Board Approval** _____

☐ **Other** _____

Action Items: Items requiring detailed explanation to the Board. When a requested action item is a day-to-day operational item or unanimously passed through committee it may be moved forward to the board on the Consent Index.

☐ **Move forward as Consent:** This Action item is a day-to-day operational item, unanimously passed through committee or qualifies to be moved forward on the Consent Index.

Consent Items: Items not requiring detailed explanation to the Board of Governors. Consent items are contract extensions, amendments or additional spending authorities for items previously approved by the Board.

Item Description	Cyber Liability Insurance			
Purpose/Scope	Citizens is requesting approval to purchase Cyber Liability Insurance for a one-year term beginning on October 1, 2025 and ending on September 30, 2026. Coverage is provided through AIG Specialty Insurance Company. (AIG) The coverages, policy limits and retention thresholds are specified in Exhibit A consistent with confidentiality protections provided under Section 119.0725, Florida Statutes.			
Contract ID	Cyber Liability Insurance AIG Specialty Insurance Company Arthur J. Gallagher – Business Insurance Agent of Record Contract No. 21-21-0008-00			
Budgeted Item	☒ Yes ☐ No			
Procurement Method	Quotes for this coverage were obtained by our contracted Business Insurance Agent of Record, Arthur J. Gallagher. Gallagher is responsible for soliciting quotes from the market and presenting them to Citizens with a comparative analysis and recommendations. Citizens procured this contract with Gallagher in 2021 pursuant to Request for Proposal No. 21-0008 for Business Insurance Agent of Record. The Board approved the contract on July 14, 2021. It includes a three (3) year base term and a two (2) year renewal term.			
Contract Amount	<u>Policy:</u> Cyber Liability Insurance	<u>Insurance Carrier:</u> AIG	<u>Premium:</u> \$220,000	<u>Decrease %:</u> 20%

Contract Terms	The term for the policy is October 1, 2025 to September 30, 2026. Insuring Company: AIG Specialty Insurance Company (AIG) (Non-Admitted) Financial Strength: A (Excellent) A.M. Best Rating
Committee Recommendation	Staff recommends that the Audit Committee review, and if approved recommend the Board of Governors : a) Authorize the purchase of Cyber Liability Insurance for a one-year term beginning on October 1, 2025 and ending on September 30, 2026, as set forth in this Consent Item; and b) Authorize staff to take any appropriate or necessary action consistent with this Consent Item.
Board Recommendation from Committee	If approved at its September 24, 2025 meeting, the Audit Committee recommends that the Board of Governors : c) Authorize the purchase of Cyber Liability Insurance for a one-year term beginning on October 1, 2025 and ending on September 30, 2026, as set forth in this Consent Item; and a) Authorize staff to take any appropriate or necessary action consistent with this Consent Item.
Contacts	Brian Newman, General Counsel