



**PROSPECT HEIGHTS DISTRICT 23  
BOARD OF EDUCATION  
ACTION ITEM**

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**Date:** January 9, 2025

**Subject:** Recommendation for Renewal of Cybersecurity, Property and Liability Insurance Coverages

**Contact:** Amy McPartlin, Assistant Superintendent for Finance and Operations

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**BACKGROUND:**

The District is required to purchase liability insurance coverage to insure against any loss or liability of the District including civil rights damage claims and suits, constitutional rights damage claims and suits, and death and bodily injury and property damage claims and suits. Such coverage is to include defense costs, when damages are sought for negligent or wrongful acts allegedly committed in the scope of employment or under the Board's direction or related to services provided to specific individuals who work or serve the District.

In addition, the District is required to purchase comprehensive property insurance covering a broad range of causes of loss involving building and personal property. The coverage amount is for the replacement cost or the insurable value of such property.

The District belongs to SSCIP, the Suburban School Cooperative Insurance Pool, which consists of over 100 suburban and downstate school districts. The membership in SSCIP provides benefits on insurance pricing due to the resources, liabilities and experience history being pooled with the other member school districts.

This year the premium for the District's property and liability coverage (excluding cyber) has been set at \$95,573. A pool contribution, in the amount of \$4,480, has reduced the renewal premium to \$91,092, an increase of 8.9% over last year's premium of \$83,647.

Under SSCIP, the District is also able to take advantage of purchasing cyber liability coverage. As discussed with the Board, once optional, cyber liability is viewed as a primary coverage with a significant opportunity for loss for school districts, especially due to the increase in exposure that comes with the shift to remote learning and 1:1 implementations.

As we come into our renewal period, it's important to note that nationwide, school districts have continued as the single largest public target for cyber crime. Due to the rapidly deteriorating cyber insurance market, two years ago, the SSCIP Executive Committee voted unanimously to

invest in a pool-wide “Cyber Toolkit” focused specifically on cyber loss control. These ongoing services include:

- Cybersecurity consulting, including risk assessments
- Phishing awareness exercises and training
- External vulnerability scans
- Multi-factor authentication (MFA) services

The District’s commitment to this program and the dedication to ongoing staff training and network monitoring has resulted in a premium decrease for 2025 of approximately -3.5%, from \$23,350 to \$22,524. Because of our commitment to cybersecurity, the District has been able to exercise its option to increase our cyber aggregate limit to \$4,000,000 which would increase the total cyber premium by approximately \$5,424.

Following last year’s introduction of the “Crisis Protect” Program, adjustments have been made to allow for the provision of crisis services as needed. While the program still includes tools and resources pre-crisis, mid-crisis (24/7/365 emergency guidance & support, live incident and legal support for key decisions) and post-crisis (legal support, professional counseling, and public relations consultation and guidance), the offerings have been scaled back with an option to purchase increased services as needed. This program is recommended by SSCIP for all districts at an additional annual cost of \$691.

The Business Office has investigated the cost effectiveness of the property and liability insurance program, including the cyber liability coverages. The District continues to benefit from its participation in the pool from both a cost perspective and breadth of available coverages and while on the higher end, the renewal rates do not appear to be at a disproportionate level.

### **RECOMMENDATION**

The Business Office recommends approval of the 2025 insurance renewals with SSCIP for property and liability, expanded cyber liability and the Crisis Protect Program for a combined total cost of \$119,732.