

**ILLINOIS STATE  
UNIVERSITY**

**BOARD OF  
TRUSTEES**

**Resolution No. 2023.10/55  
Authorization to Acquire  
Liability and Cyber  
Security Insurance**

**Resolution**

Whereas, the Board of Trustees (the “*Board*”) of Illinois State University (the “*University*”) operates the university and has a need for various types of liability insurance coverage to manage institutional risk. These coverages include but are not limited to General Liability, Educators Legal Liability, Professional Liability, Cyber Security Protection, Liability coverage for international operations and travel, and Non-Owned Aircraft coverage, and;

Whereas, prudent business practice necessitates the Board to protect the university assets, intellectual property, and its reputation from incidents occurring as a result of normal business operating activities with the appropriate liability insurance protections, and;

Whereas, with its membership in the Illinois Public Higher Education Cooperative (IPHEC), the University has available to it through its insurance broker, Marsh USA, and;

Therefore, be it resolved that the Board authorizes the University to acquire adequate liability insurance coverage for fiscal year 2024 from a collection of well-respected and financially sound U.S. and International insurance companies collectively priced as a consortium through Marsh USA at an annual premium not to exceed \$550,000.

Board Action on: \_\_\_\_\_  
Motion by: \_\_\_\_\_  
Second by: \_\_\_\_\_  
Vote: Yeas: \_\_\_\_\_ Nays: \_\_\_\_\_

Postpone: \_\_\_\_\_  
Amend: \_\_\_\_\_  
Disapprove: \_\_\_\_\_  
Approve: \_\_\_\_\_

ATTEST: Board Action, October 13, 2023

\_\_\_\_\_  
Secretary/Chairperson

**Board of Trustees**  
**Illinois State University**  
**Authorization to Acquire Property and Cyber Security Insurance**

Illinois State University, as a member of the Illinois Public Higher Education Cooperative (IPHEC), has participated in a state-wide group cooperative with other Illinois public universities to purchase various types of liability insurance policies, including cyber security insurance placed by our insurance broker, Marsh USA. Marsh provides public entities across the country access to insurance solutions and price stability through the Marsh USA group purchasing power.

FY24's general liability and cyber security insurance coverage amount is projected not to exceed \$550,000. In FY23, the university incurred approximately \$480,000 in annual premiums for these areas of coverage. The historical annual increases in insurance have typically ranged from 8% to 15% depending on certain factors. Actual costs in FY24 will not be known until final renewal quotes and the amount of insurance coverage required is determined. Most coverage policies are renewed at various times throughout the fiscal year.

This increase in insurance premium in FY24 is not a reflection of significant insurance losses reported by Illinois State University or other IPHEC members during FY23 but is largely the result of current inflationary market conditions as well as new and emerging risks requiring insurance coverage. This includes cyber security, non-owned aircraft, and drones.

ISU will continue to aggressively monitor the market and consider all options to proactively pursue alternative insurance levels and pricing options with a goal of mitigating the current cost levels both in the short term and long term.

The University is seeking approval from the Board of Trustees to secure the necessary general liability and cyber security insurance coverage to help protect the university's assets, intellectual property, and reputation. The projected amount of liability and cyber security insurance costs is expected to not exceed \$550,000 in FY24.

**Funding Source:** General Revenue and Auxiliary Facilities System Operating Revenues