

These minutes from the July 3, 2019 meeting of the Governance Committee, were approved and executed at the July 29, 2019 meeting.

Governance Committee
Board of Trustees
New Hampshire Retirement System
54 Regional Drive
Concord, NH 03301

July 3, 2019
Public Minutes

Governance Committee Members present telephonically: Trustees Don Roy, Chair; Richard Gustafson, Bill Dwyer, Robert Maloney and Sue Hannan.

Staff: George Lagos, *Executive Director;* Tim Crutchfield, *Chief Legal Counsel;* Mark Cavanaugh, *Associate Counsel & Compliance Officer;* and Margaret Astles, *Executive Assistant.*

Trustee Roy called the meeting to order at 3:03 p.m.

Having established a quorum, on a motion by Trustee Dwyer, seconded by Trustee Maloney, the Committee voted unanimously by roll call vote, to approve the minutes of the June 11, 2019 Governance Committee meeting.

Chief Legal Counsel Crutchfield began the discussion regarding the cyber insurance renewal. He noted that as a best practice, NHRS has purchased cyber insurance since 2015. At that time, the Board secured NAS as its cyber insurer in the event of a breach to cover damages to third parties relating to identity theft, privacy violations, legal defense, and litigation costs. More importantly, in the event of a covered data breach, the insurer provided access to a wide range of support services on an immediate, and real-time basis, which included forensic computer experts, notification and call center, credit monitoring, public relations, and crisis management.

This year, our broker, Cross Insurance, was able to secure two competitive quotes on a \$3 million coverage limit with the same deductible as was in place at \$25,000. One quote was from NAS and the other from Chubb. Last year's NAS premium was \$19,276, and this year's premium is quoted as \$19,261. The Chubb premium quote came in at \$18,320, and while there is a slight savings with Chubb, our broker reviewed the two policies, and was of the opinion that the NAS policy provided better coverage.

Because of the better coverage under the NAS policy, and the positive experience that NHRS has had with NAS, staff has requested that the Governance Committee recommend to the full Board that the System renew its cyber insurance coverage with NAS based on the quote of \$19,261.

Executive Director Lagos noted that staff is comfortable with the basis of the analysis and the information that was provided to us from our broker, Cross Insurance, who represents NHRS and provides us with the best possible coverage at the best possible price.

On a motion by Trustee Maloney, seconded by Trustee Hannan, the Committee unanimously voted by roll call vote to recommend to the full Board that it approve the cyber insurance renewal with NAS, as presented.

It was determined that the Committee will not meet after the July 9, 2019 Board meeting.

Under other business, Trustee Maloney asked if there was any new developments regarding paperless board meetings. Executive Director Lagos reported that there was a presentation earlier in the week by IT Director Frank Clough and it was determined that new iPads with styluses will be needed. There will be a follow-up presentation in several weeks.

On a motion by Trustee Gustafson, seconded by Trustee Maloney, the Committee unanimously voted by roll call vote to adjourn the meeting at 3:11 pm.

Respectfully submitted,

Margaret M. Astles
Executive Assistant