

CEO's Corner:

At this time of year in New England the leaves, apples and weather all get crispier. However, it is also hurricane season. We have reached out to our pool brethren in the affected states after Hurricane Helene and Milton. We were relieved to hear that all Directors and their teams and families were safe, but we know there is much work to be done, especially in North Carolina and Florida. We are staying in communication with them both.

October is also Cyber Security Awareness month. Please see the article from our technology team for more information regarding cyber best practices. Our cyber security pilot is coming to a close and it was a highly successful partnership between NLC Mutual, RISC, VC3 and the Association of Washington Cities RSMA. A special thank you to Carol Wilmes and her team for working with us on this project. As member powered organizations, our collaborative approach not only helped their members, but also aided us to be able to broaden this program to our members in other states. Look for more information and applications coming soon.

We ended our summer with our financials strong and surplus, as of 8/31/2024, was at \$260 million, a 7.5% increase over 12/31/2023. We continue to listen and provide the insurance where you need us. We thank you for your support and look forward to seeing you in Nashville for our December Board meeting.

Cyber Security Highlight

Developing a comprehensive cybersecurity program is extremely important for municipalities, which are prime targets for cyberattacks due to the critical services they provide. Many local governments face challenges due to limited resources, making it crucial to adopt effective strategies to mitigate risks.

Key recommendations include:

1. **Data Backups:** Regularly verify that backups of data and systems are complete and can be restored, especially to combat ransomware attacks.
2. **Software Updates:** Implement automatic updates for operating systems and critical applications to address security vulnerabilities, while also budgeting for replacing aging systems.
3. **Perimeter Security:** Establish robust perimeter security measures and ensure data is stored securely, whether on-premises, in partner data centers, or in trusted cloud environments.
4. **Human Factor Mitigation:** Recognize that employees can be the weakest link in cybersecurity. Implement multi-factor authentication (MFA) to add an extra layer of security. Establish policies requiring verification for financial transactions to prevent impersonation fraud.

There must be an ongoing effort to adapt to evolving threats. To enhance overall security both technical measures and organizational policies must be addressed.

Resources for Cyber Security Guidelines and partner services:

- NIST: [Cybersecurity Framework | NIST](#)
- CISA: [Home Page | CISA](#)
- KnowBe4: [Security Awareness Training | KnowBe4](#)
- VC3: [Cybersecurity, Compliance, Risk Assessment, Data Backup | VC3](#)

AI Spotlight

AI in municipalities, and public entity pools offers a promising yet uncertain future in how systems are used and services are performed. Strong policies are required for governing true authorship and the pace at which AI tools are being utilized is outpacing the policy creation.

AI has tremendous potential and shown proven benefits in the area of GPT tools where content generation is utilized. A major concern here is controlling the data access that is being analyzed through AI. For example, uploading a dataset (or even just company information) to global tools such as ChatGPT can present significant security implications as these third-party companies can access to your information. One technique that NLC Mutual is using as it relates to AI is to utilize AI services within a known trusted data ecosystem such as Domo that is governed by existing licensing agreements and keeps data centralized.

Resources

- [NLC "Demystifying AI"](#)
- [City AI Governance Dashboard \(Members Only\)](#)

Save The Dates:

Winter Board Meeting
December 11-12, 2024
Nashville, Tennessee
([Meeting Details Linked](#))

Don Jones Scholarship Deadline
January 31, 2025
([Scholarship Details Linked](#))