

## **MEMORANDUM OF UNDERSTANDING CYBER LIABILITY PROGRAM**

This Memorandum of Understanding (hereinafter “Memorandum”) is entered into by and between Public Risk Innovation, Solutions, and Management (hereinafter referred to as “PRISM”) and the participating entities (hereinafter “Members”) who are signatories to this Memorandum.

**1. CREATION AND PURPOSE OF THE PROGRAM.** There is hereby created by this Memorandum the Cyber Liability Program (hereafter “Program”). The purpose of the Program is to provide participating Members with coverage and risk-sharing for cyber-related losses, including but not limited to data breaches, network security failures, privacy liability, cyber extortion, business interruption due to cyber events, and related costs, as more fully described in the applicable coverage documents.

**2. JOINT POWERS AGREEMENT.** Each participating member of the Program shall have executed the Joint Powers Agreement Creating Public Risk Innovation, Solutions, and Management (hereinafter referred to as “Agreement”). Except as otherwise provided herein, all terms used herein shall be as defined in Article 1 of the Agreement, and all other provisions of the Agreement not in conflict with this Memorandum shall be applicable.

**3. GOVERNANCE AND PROGRAM OVERSIGHT**

The Executive Committee of PRISM (hereafter “Committee”) shall have full authority over all matters affecting the Program, including but not limited to:

- a. Approval of new members;
- b. Program structure and participation requirements;
- c. Premium and rate setting;
- d. Retention levels, limits, and reinsurance;
- e. Allocation of aggregate limits (as needed);
- f. Underwriting standards;
- g. Data submission requirements and cybersecurity controls; and
- h. Policies regarding withdrawal and cancellation

**4. PROGRAM PARTICIPATION AND MEMBERSHIP**

- a. Participation in the Program is voluntary and subject to approval by PRISM in accordance with the Agreement and Program underwriting guidelines.
- b. A Member approved for participation shall remain in the Program until withdrawal or cancellation in accordance with the Agreement and this Memorandum.
- c. PRISM may establish eligibility criteria, including but not limited to minimum cybersecurity controls, incident response planning, training, and compliance with applicable laws and standards.

**5. ANNUAL PREMIUM**

In accordance with Article 14(b)(2) of the Agreement, participating Members shall be assessed an annual premium for the purpose of funding the Program. Annual

rates/premiums will be established by the Committee in consultation with the carrier, actuaries and/or other consultants.

## **6. COST ALLOCATION**

Each Member's share of the annual premium shall be determined pursuant to a Committee-approved cost allocation methodology, which may consider factors such as exposure, size, cybersecurity posture, loss experience, and other risk characteristics. The cost allocation methodology may be amended from time to time by action of the Committee.

## **7. COVERAGE DOCUMENTS**

PRISM shall issue applicable coverage documents evidencing a Member's participation in the Program and setting forth the specific terms, conditions, limits, retentions, exclusions, and endorsements applicable to the cyber liability coverage.

## **8. CLAIMS AND INCIDENT REPORTING**

- a. Members shall comply with all incident reporting, claims reporting, and cooperation requirements established by PRISM, and/or the carrier, and as set forth in the coverage documents.
- b. Members shall promptly notify PRISM of any known or suspected cyber incident that may give rise to a claim under the Program.
- c. PRISM may establish cyber incident response protocols, panel vendors, breach response requirements, and claims administration standards applicable to the Program.
- d. Failure to comply with these reporting requirements could adversely impact coverage.

## **9. CLAIMS ADMINISTRATION**

Claims administration services shall be provided by the insurance carrier(s) and/or their assignee.

## **10. CYBERSECURITY STANDARDS**

Each Member shall maintain reasonable and appropriate cybersecurity controls, policies, and procedures, and shall cooperate with PRISM in risk management initiatives, assessments, training, and audits related to cyber risk.

## **11. WITHDRAWAL AND CANCELLATION**

Withdrawal or cancellation from the Program shall be governed by Articles 20 and 21 of the Agreement, subject to policy provisions and any additional Program-specific requirements adopted by the Committee.

## **12. LATE PAYMENTS**

Notwithstanding any other provision to the contrary regarding late payment of invoices or cancellation from a Program, at the discretion of the Executive Committee, any Member that fails to pay an invoice when due may be given a ten (10) day written notice of cancellation.

**13. DISPUTE RESOLUTION**

Any question or dispute with respect to the rights and obligations of the parties to this Memorandum regarding coverage shall be determined in accordance with the Agreement Article 31, Dispute Resolution.

**14. AMENDMENT**

This Memorandum may be amended by a majority vote of the Executive Committee and signature on the Memorandum by the Member's designated representative who shall have authority to execute this Memorandum. Should a Member of the Program fail to execute any amendment to this Memorandum within the time provided by the Executive Committee, the Member will be deemed to have withdrawn at the following renewal.

**15. COMPLETE AGREEMENT**

Except as otherwise provided herein, this Memorandum constitutes the full and complete agreement of the Members.

**16. SEVERABILITY**

If any provision of this Memorandum is judicially determined to be void or unenforceable, such determination shall not affect the validity of the remaining provisions.

**17. EFFECTIVE DATE**

This Memorandum shall become effective on the effective date of coverage for the Member and upon approval by the Executive Committee of any amendment, whichever is later.


**18. EXECUTION IN COUNTERPARTS**

This Memorandum may be executed in several counterparts, each of which shall be an original, all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the undersigned have executed this Memorandum as of the dates set forth below.

**PRISM:**

Dated: 7/1/2026

Signature:   
Printed Name & Title: Gina Dean, CEO  
Public Risk Innovation, Solutions, and Management

**Member:**

Dated: \_\_\_\_\_

Signature: \_\_\_\_\_  
Printed Name & Title: Garry Bredefeld, Chairman of the Board of Supervisors  
Member Entity: County of Fresno