

(Mayor Potter)

CITY OF KIRTLAND

ORDINANCE NO.: 22-O-84

AN ORDINANCE AUTHORIZING THE DIRECTOR OF FINANCE TO ACCEPT A PROPOSAL FOR THE PURCHASE OF CYBER INSURANCE REQUIRED BY THE CITY, AND DECLARING AN EMERGENCY.

WHEREAS, the Director of Finance for the City of Kirtland has solicited proposals for cyber insurance policy coverage on behalf of the City; and

WHEREAS, the Director of Finance has recommended that the City accept the proposal from CFC Underwriting Ltd. for cyber insurance coverage.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Kirtland, County of Lake, State of Ohio, that:

SECTION I: That the Director of Finance be and hereby is authorized to take all reasonable and necessary steps to accept the proposal from CFC Underwriting Ltd. for cyber insurance coverage on behalf of the City for a twelve-month period. Said proposal is attached hereto and incorporated herein as Exhibit A.

SECTION II:

(a) It is found and determined that all formal actions of this Council concerning and relating to the passage of this Ordinance were passed in an open meeting of this Council, and that all deliberations of this Council and of any of its committees that resulted in such formal action were in meetings open to the public, in compliance with all legal requirements including Section 121.22 of the Ohio Revised Code.

(b) This Ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, health and safety of the City, and for the further reason that it is necessary to provide insurance coverage to the City; wherefore, this Ordinance shall be in full force and effect immediately upon its passage by the affirmative vote of five (5) members of Council and approval by the Mayor, otherwise this Ordinance shall be in effect from and after its adoption at the earliest period allowed by law.

First Reading: _____
Second Reading: _____
Third Reading: _____

DATE PASSED: _____

President of Council

Submitted to the Mayor for his
Approval on this _____ day of
_____, 2022.

ATTEST:

Approved by the Mayor, this
_____ day of _____,
2022.

Clerk of Council
Cyber Insurance Coverage – 2023

Mayor Kevin F. Potter



INDICATION OF TERMS

REFERENCE NUMBER:	3086654
COMPANY NAME:	City of Kirtland
TOTAL PAYABLE:	USD7,800.00 + \$250 broker fee = \$8,050 TOTAL
Premium breakdown:	
Cyber & Privacy:	USD5,700.00
Cyber Crime:	USD1,850.00
Policy Administration Fee:	USD250.00
TRIA:	USD0.00
BUSINESS OPERATIONS:	Municipality
LEGAL ACTION:	Worldwide
TERRITORIAL SCOPE:	Worldwide
REPUTATIONAL HARM PERIOD:	12 months
INDEMNITY PERIOD:	12 months
WAITING PERIOD:	8 hours
WORDING:	Cyber, Private Enterprise (US) v3.0
ENDORSEMENTS:	Policyholder Disclosure Notice Of Terrorism Insurance Coverage
SUBJECTIVITIES:	This quote is subject to the following being provided by the stated deadline: <ul style="list-style-type: none"> 1. Please provide name, position, email and telephone number for the designated contact to receive security related alerts and targeted threat intelligence. (14 days post binding)
POLICY PERIOD:	12 months
DATE OF ISSUE:	05 Dec 2022
OPTIONAL EXTENDED REPORTING PERIOD:	12 months for 100% of applicable annualized premium
SECURITY:	Certain underwriters at Lloyd's and other insurers
UNDERWRITER:	Craig Roach

THIS INDICATION OF TERMS IS ONLY VALID FOR 30 DAYS FROM THE DATE OF ISSUE

PLEASE REFER TO THE FOLLOWING PAGES FOR A FULL BREAKDOWN OF LIMITS, RETENTIONS AND APPLICABLE CLAUSES



DECLARATIONS

THE FOLLOWING INSURING CLAUSES ARE SUBJECT TO AN EACH AND EVERY CLAIM LIMIT

INSURING CLAUSE 1: CYBER INCIDENT RESPONSE

SECTION A: INCIDENT RESPONSE COSTS

Limit of liability: USD1,000,000 each and every claim

Deductible: USD0 each and every claim

SECTION B: LEGAL AND REGULATORY COSTS

Limit of liability: USD1,000,000 each and every claim

Deductible: USD5,000 each and every claim

SECTION C: IT SECURITY AND FORENSIC COSTS

Limit of liability: USD1,000,000 each and every claim

Deductible: USD5,000 each and every claim

SECTION D: CRISIS COMMUNICATION COSTS

Limit of liability: USD1,000,000 each and every claim

Deductible: USD5,000 each and every claim

SECTION E: PRIVACY BREACH MANAGEMENT COSTS

Limit of liability: USD1,000,000 each and every claim

Deductible: USD5,000 each and every claim

SECTION F: THIRD PARTY PRIVACY BREACH MANAGEMENT COSTS

Limit of liability: USD1,000,000 each and every claim

Deductible: USD5,000 each and every claim

SECTION G: POST BREACH REMEDIATION COSTS

Limit of liability: USD50,000 each and every claim, subject to a maximum of 10% of all sums **we** have paid as a direct result of the **cyber event**

Deductible: USD0 each and every claim



INSURING CLAUSE 2: CYBER CRIME

SECTION A: FUNDS TRANSFER FRAUD

Limit of liability: USD250,000 each and every claim

Deductible: USD5,000 each and every claim

SECTION B: THEFT OF FUNDS HELD IN ESCROW

Limit of liability: USD250,000 each and every claim

Deductible: USD5,000 each and every claim

SECTION C: THEFT OF PERSONAL FUNDS

Limit of liability: USD250,000 each and every claim

Deductible: USD5,000 each and every claim

SECTION D: EXTORTION

Limit of liability: USD1,000,000 each and every claim

Deductible: USD5,000 each and every claim

SECTION E: CORPORATE IDENTITY THEFT

Limit of liability: USD250,000 each and every claim

Deductible: USD5,000 each and every claim

SECTION F: TELEPHONE HACKING

Limit of liability: USD250,000 each and every claim

Deductible: USD5,000 each and every claim

SECTION G: PUSH PAYMENT FRAUD

Limit of liability: USD50,000 each and every claim

Deductible: USD5,000 each and every claim

SECTION H: UNAUTHORIZED USE OF COMPUTER RESOURCES

Limit of liability: USD250,000 each and every claim

Deductible: USD5,000 each and every claim



INSURING CLAUSE 3: SYSTEM DAMAGE AND BUSINESS INTERRUPTION

SECTION A: SYSTEM DAMAGE AND RECTIFICATION COSTS

Limit of liability: USD1,000,000 each and every claim

Deductible: USD5,000 each and every claim

SECTION B: INCOME LOSS AND EXTRA EXPENSE

Limit of liability: USD1,000,000 each and every claim, sub-limited to USD1,000,000 in respect of **system failure**

Deductible: USD5,000 each and every claim

SECTION C: ADDITIONAL EXTRA EXPENSE

Limit of liability: USD100,000 each and every claim

Deductible: USD5,000 each and every claim

SECTION D: DEPENDENT BUSINESS INTERRUPTION

Limit of liability: USD1,000,000 each and every claim, sub-limited to USD1,000,000 in respect of **system failure**

Deductible: USD5,000 each and every claim

SECTION E: CONSEQUENTIAL REPUTATIONAL HARM

Limit of liability: USD1,000,000 each and every claim

Deductible: USD5,000 each and every claim

SECTION F: CLAIM PREPARATION COSTS

Limit of liability: USD25,000 each and every claim

Deductible: USD0 each and every claim

SECTION G: HARDWARE REPLACEMENT COSTS

Limit of liability: USD1,000,000 each and every claim

Deductible: USD5,000 each and every claim



THE FOLLOWING INSURING CLAUSES ARE SUBJECT TO AN AGGREGATE LIMIT

INSURING CLAUSE 4: NETWORK SECURITY & PRIVACY LIABILITY

SECTION A: NETWORK SECURITY LIABILITY

Aggregate limit of liability:	USD1,000,000	in the aggregate, including costs and expenses
Deductible:	USD5,000	each and every claim, including costs and expenses

SECTION B: PRIVACY LIABILITY

Aggregate limit of liability:	USD1,000,000	in the aggregate, including costs and expenses
Deductible:	USD5,000	each and every claim, including costs and expenses

SECTION C: MANAGEMENT LIABILITY

Aggregate limit of liability:	USD1,000,000	in the aggregate, including costs and expenses
Deductible:	USD5,000	each and every claim, including costs and expenses

SECTION D: REGULATORY FINES

Aggregate limit of liability:	USD1,000,000	in the aggregate, including costs and expenses
Deductible:	USD5,000	each and every claim, including costs and expenses

SECTION E: PCI FINES, PENALTIES AND ASSESSMENTS

Aggregate limit of liability:	USD1,000,000	in the aggregate, including costs and expenses
Deductible:	USD5,000	each and every claim, including costs and expenses

INSURING CLAUSE 5: MEDIA LIABILITY

SECTION A: DEFAMATION

Aggregate limit of liability:	USD1,000,000	in the aggregate, including costs and expenses
Deductible:	USD5,000	each and every claim, including costs and expenses

SECTION B: INTELLECTUAL PROPERTY RIGHTS INFRINGEMENT

Aggregate limit of liability:	USD1,000,000	in the aggregate, including costs and expenses
Deductible:	USD5,000	each and every claim, including costs and expenses

INSURING CLAUSE 6: TECHNOLOGY ERRORS AND OMISSIONS

NO COVER GIVEN



INSURING CLAUSE 7: COURT ATTENDANCE COSTS

Aggregate limit of liability: USD100,000 in the aggregate

Deductible: USDO each and every claim



POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

ATTACHING TO POLICY N/A

NUMBER:

THE INSURED: City of Kirtland

WITH EFFECT FROM: -

Coverage for acts of terrorism is included in your policy. You are hereby notified that under the Terrorism Risk Insurance Act, as amended in 2015, the definition of act of terrorism has changed. As defined in Section 102(1) of the Act: The term "act of terrorism" means any act or acts that are certified by the Secretary of the Treasury—in consultation with the Secretary of Homeland Security, and the Attorney General of the United States—to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

Under your coverage, any losses resulting from certified acts of terrorism may be partially reimbursed by the United States Government under a formula established by the Terrorism Risk Insurance Act, as amended. However, your policy may contain other exclusions which might affect your coverage, such as an exclusion for nuclear events. Under the formula, the United States Government generally reimburses 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019 and 80% beginning on January 1, 2020, of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage.

The Terrorism Risk Insurance Act, as amended, contains a \$100 billion cap that limits U.S. Government reimbursement as well as insurers' liability for losses resulting from certified acts of terrorism when the amount of such losses exceeds \$100 billion in any one calendar year. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

The portion of your annual premium that is attributable to coverage for acts of terrorism is USD0.00 and does not include any charges for the portion of losses covered by the United States government under the Act.

SUBJECT OTHERWISE TO THE TERMS AND CONDITIONS OF THE POLICY