



**City of East Peoria
Accounts & Finance**

MEMORANDUM

TO: Mayor John P. Kahl and Members of the City Council

FROM: Jeffery M. Becker, Finance Director/Treasurer

SUBJECT: Resolution No. 2021-90 - 2021 Cyber Security Insurance / Annual Renewal

DISCUSSION: The City's insurance policy for cyber security coverage expires on January 1, 2021. The City has maintained a cyber security insurance policy through Kuhl Insurance agency. This cyber insurance policy provides coverage for the City's information technology services, as listed out in the attached invoice. The City administration seeks to renew and maintain this cyber security insurance coverage during the 2021 renewal term, as the threats to the City's IT systems and risk of loss seemingly increase on a daily basis.

For the upcoming policy year, the annual policy premium for this cyber security insurance coverage is \$21,140. (Last year's policy was \$16,500.)

RECOMMENDATION: Approve

RESOLUTION NO. 2021-090

East Peoria, Illinois

_____ , 2021

RESOLUTION BY COMMISSIONER _____

**RESOLUTION APPROVING RENEWAL OF
CYBER SECURITY INSURANCE COVERAGE**

WHEREAS, the City maintains cyber security insurance for the protection of the City's computer intranet and internet network systems and electronic information and data maintained on the City's computer intranet and internet network systems (the "Cyber Security Insurance"); and

WHEREAS, the City's current annual policy term with Lloyd's London, as serviced through Tokio Marine HCC, for the City's Cyber Security Insurance coverage runs through January 1, 2021; and

WHEREAS, after reviewing the City's various exposures to risk and liability across the City's information technology services, including the City's computer intranet and internet network systems and operations, the City administration has obtained renewal prices for the City's Cyber Security Insurance coverage; and

WHEREAS, based upon the recommendation of the City administration, the City Council hereby finds that it is in the best interests of the City to accept the renewal proposal from the Kuhl Insurance Agency for renewing the City's Cyber Security Insurance policy with Lloyd's London, as serviced through Tokio Marine HCC, for the annual period beginning January 1, 2021, and ending January 1, 2022, at an annual premium of \$20,000.00 plus related fees of \$1,140 (total cost of \$21,140), which coverage and quote are outlined in "Exhibit A" as attached hereto; and

WHEREAS, based upon the recommendation of the City administration, the City Council hereby further finds that it is in the best interests of the City to maintain this NetGuard Plus Policy with Lloyd's London, as serviced through Tokio Marine HCC, with a \$25,000 deductible for each claim made under this Policy as the City's Cyber Security Insurance coverage;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF EAST PEORIA, TAZEWELL COUNTY, ILLINOIS, THAT:

Section 1. The City hereby approves and accepts the proposal from Kuhl & Company to provide Cyber Security Insurance coverage (NetGuard Plus Policy), as outlined in "Exhibit A" attached hereto, at an annual cost of \$21,140.00 from Lloyd's London, as serviced through Tokio Marine HCC, for the annual policy period that begins January 1, 2021, and runs through January 1, 2022, with a \$25,000 deductible per claim. The City's Director of Finance is hereby authorized and directed to execute an appropriate agreement and any other related documentation accepting the proposal from Kuhl &

Company for the City's Cyber Security Insurance coverage, together with such changes therein as the Mayor may approve.

Section 2. Any previous actions of the City undertaken to ensure continuation of the City's Cyber Security Insurance coverage pursuant to the renewal of the NetGuard Plus Policy with Lloyd's London, as serviced through Tokio Marine HCC, effective on January 1, 2021, are hereby ratified and approved.

APPROVED:

Mayor

ATTEST:

City Clerk



632 W. Jefferson Street
Morton, IL 61550
T 309 266-7300
F 309 266-5453
www.kuhlininsurance.com

INVOICE #		Page 1
Account No	OP	Date
EASPCIT-01	LM	12/30/2020
Producer		
Denise Jacobus		
Effective	Expiration	Balance Due On
01/01/2021	01/01/2022	01-15-2021

City of East Peoria
401 W. Washington Street
East Peoria, IL 61611

Itm #	Type	Description	Amount
010	REN	Cyber Liability Renewal	\$20,000
020	CFE	Broker and Carrier Policy Fees	\$425
030	CFE	Surplus Lines Taxes and Fees	\$715

Invoice Balance **\$21,140**

*** PLEASE RETURN ONE COPY WITH YOUR REMITTANCE ***



Summary of NetGuard® Plus Insurance Options

Option 1	Premium: \$20,000
Limits: \$1,000,000 Each Claim /\$1,000,000 Aggregate	Deductible: \$25,000 Each Claim
Option 2	Premium: \$14,450
Limits: \$1,000,000 Each Claim /\$1,000,000 Aggregate	Deductible: \$25,000 Each Claim

Please carefully review the attached pages for a more detailed description of the applicable limits, sub-limits, terms and conditions for each option listed above. Please contact your underwriter if you have any questions.



Option 1

Premium: \$20,000

COVERAGES AND LIMITS OF LIABILITY

“Nil” or “N/A” indicates that the Coverage is not included in the quoted premium and that portion of the Policy will not apply.

A. Limits Per Insuring Agreement:

**Third Party Liability Insuring Agreements
(Claims Made and Reported Coverage)**

	Each Claim	Aggregate
Multimedia Liability Coverage	\$1,000,000	\$1,000,000
Security and Privacy Liability Coverage	\$1,000,000	\$1,000,000
Privacy Regulatory Defense and Penalties Coverage	\$1,000,000	\$1,000,000
PCI DSS Liability Coverage	\$1,000,000	\$1,000,000
Bodily Injury Liability Coverage	\$250,000	\$250,000
Property Damage Liability Coverage	\$50,000	\$50,000
TCPA Defense Coverage	\$50,000	\$50,000

**First Party Insuring Agreements
(Event Discovered and Reported Coverage)**

	Each Claim	Aggregate
Breach Event Costs Coverage	\$1,000,000	\$1,000,000
Post Breach Remediation Costs Coverage	\$25,000	\$25,000
BrandGuard® Coverage	\$1,000,000	\$1,000,000
System Failure Coverage	\$1,000,000	\$1,000,000
Dependent System Failure Coverage	\$1,000,000	\$1,000,000
Cyber Extortion Coverage	\$1,000,000	\$1,000,000
Cyber Crime Coverage		
A. Financial Fraud Sublimit	\$250,000	\$250,000
B. Telecommunications and Utilities Fraud Sublimit	\$250,000	\$250,000
C. Phishing Fraud Sublimits		
1. Your Phishing Fraud Loss Sublimit	\$250,000	\$250,000
2. Client Phishing Fraud Loss Sublimit	\$50,000	\$50,000
3. Phishing Fraud Aggregate Sublimit (C.1. & C.2. combined)		\$250,000
Cyber Crime Aggregate Limit (A., B., & C. combined)		\$250,000
Bricking Loss Coverage	\$1,000,000	\$1,000,000
Property Damage Loss Coverage	\$50,000	\$50,000
Reward Expenses Coverage	\$50,000	\$50,000
Court Attendance Costs Coverage	\$25,000	\$25,000

B. Maximum Policy Aggregate Limit: \$1,000,000

C. Additional Defense Costs Limit: NIL
(Not applicable to Bodily Injury Liability, Property Damage Liability or TCPA Defense Coverage)

D. Breach Event Costs Outside the Limit Enhancement: NIL



DEDUCTIBLES, WAITING PERIODS, PERIODS OF INDEMNITY AND PERIOD OF RESTORATION

A. Each Insuring Agreement:

Multimedia Liability Coverage Deductible	\$25,000 each Claim
Security and Privacy Liability Coverage Deductible	\$25,000 each Claim
Privacy Regulatory Defense and Penalties Coverage Deductible	\$25,000 each Claim
PCI DSS Liability Coverage Deductible	\$25,000 each Claim
Bodily Injury Liability Coverage Deductible	\$25,000 each Claim
Property Damage Liability Coverage Deductible	\$25,000 each Claim
TCPA Defense Coverage Deductible	\$25,000 each Claim
Breach Event Costs Coverage Deductible	\$25,000 each Claim
Post Breach Remediation Costs Coverage Deductible	\$25,000 each Claim
BrandGuard® Coverage	
Waiting Period:	2 weeks
Period of Indemnity:	6 months
System Failure Coverage	
A. Data Recovery Deductible	\$25,000 each Claim
B. Non-Physical Business Interruption	
Waiting Period:	8 hours
Period of Restoration:	6 months
Dependent System Failure Coverage	
A. Data Recovery Deductible	\$25,000 each Claim
B. Non-Physical Business Interruption	
Waiting Period:	12 hours
Period of Indemnity:	4 months
Cyber Extortion Coverage Deductible	\$25,000 each Claim
Cyber Crime Coverage Deductible	\$25,000 each Claim
Bricking Loss Coverage Deductible	\$25,000 each Claim
Property Damage Loss Coverage Deductible	\$25,000 each Claim
Reward Expenses Coverage Deductible	\$25,000 each Claim
Court Attendance Costs Coverage Deductible	None

B. Aggregate Deductible: \$75,000



Option 2

Premium: \$14,450

COVERAGES AND LIMITS OF LIABILITY

“Nil” or “N/A” indicates that the Coverage is not included in the quoted premium and that portion of the Policy will not apply.

A. Limits Per Insuring Agreement:

**Third Party Liability Insuring Agreements
(Claims Made and Reported Coverage)**

	Each Claim	Aggregate
Multimedia Liability Coverage	\$1,000,000	\$1,000,000
Security and Privacy Liability Coverage	\$1,000,000	\$1,000,000
Privacy Regulatory Defense and Penalties Coverage	\$1,000,000	\$1,000,000
PCI DSS Liability Coverage	\$1,000,000	\$1,000,000
Bodily Injury Liability Coverage	\$250,000	\$250,000
Property Damage Liability Coverage	\$50,000	\$50,000
TCPA Defense Coverage	\$50,000	\$50,000

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	Each Claim	Aggregate
Breach Event Costs Coverage	\$1,000,000	\$1,000,000
Post Breach Remediation Costs Coverage	\$25,000	\$25,000
BrandGuard® Coverage	\$1,000,000	\$1,000,000
System Failure Coverage	\$100,000	\$100,000
Dependent System Failure Coverage	\$1,000,000	\$1,000,000
Cyber Extortion Coverage	\$100,000	\$100,000
Cyber Crime Coverage		
A. Financial Fraud Sublimit	\$250,000	\$250,000
B. Telecommunications and Utilities Fraud Sublimit	\$250,000	\$250,000
C. Phishing Fraud Sublimits		
1. Your Phishing Fraud Loss Sublimit	\$250,000	\$250,000
2. Client Phishing Fraud Loss Sublimit	\$50,000	\$50,000
3. Phishing Fraud Aggregate Sublimit (C.1. & C.2. combined)		\$250,000
Cyber Crime Aggregate Limit (A., B., & C. combined)		\$250,000
Bricking Loss Coverage	\$1,000,000	\$1,000,000
Property Damage Loss Coverage	\$50,000	\$50,000
Reward Expenses Coverage	\$50,000	\$50,000
Court Attendance Costs Coverage	\$25,000	\$25,000

B. Maximum Policy Aggregate Limit: \$1,000,000

C. Additional Defense Costs Limit: NIL
(Not applicable to Bodily Injury Liability, Property Damage Liability or TCPA Defense Coverage)

D. Breach Event Costs Outside the Limit Enhancement: NIL



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A. Each Insuring Agreement:

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Property Damage Loss Coverage Deductible	\$25,000 each Claim
Reward Expenses Coverage Deductible	\$25,000 each Claim
Court Attendance Costs Coverage Deductible	None

B. Aggregate Deductible: \$75,000