

**FAIRFIELD TOWNSHIP
RESOLUTION NO. 23-76**

**RESOLUTION AUTHORIZING THE FAIRFIELD TOWNSHIP ADMINISTRATOR TO EXECUTE ALL
NECESSARY DOCUMENTS TO RENEW THE TOWNSHIP'S COVERAGE FOR
CYBER INSURANCE THROUGH CFC, AT AN ANNUAL COST OF \$10,387.50
EFFECTIVE JUNE 1, 2023 THROUGH JUNE 1, 2024.**

WHEREAS: Fairfield Township currently has Cyber Coverage and is looking to renew its \$1 million policy; and

WHEREAS: Cyber security & ransom threats have continued to increase and pose a serious threat to business; and

WHEREAS: This payment will be taken out of the following fund numbers, #1000, #2021, #2081 & #2111.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Trustees of Fairfield Township, Butler County, Ohio, as follows;

SECTION 1: The Board hereby authorizes the Administrator to sign all necessary documents to renew Cyber Coverage for the Township with CFC for a total payment of \$10,387.50 for the policy period June 1, 2023 through June 1, 2024, set forth in the attached Exhibit "A".

SECTION 2: The Board hereby dispenses with the requirement that this resolution be read on two separate days, pursuant to RC 504.10, and authorizes the adoption of this resolution upon its first reading.

SECTION 3 This resolution is the subject of the general authority granted to the Board of Trustees through the Ohio Revised Code and not the specific authority granted to the Board of Trustees through the status as a Limited Home Rule Township.

SECTION 4: That it is hereby found and determined that all formal actions of this Board concerning and relating to the passage of this Resolution were taken in meetings open to the public, in compliance with all legal requirements including §121.22 of the Ohio Revised Code.

SECTION 5: This resolution shall take effect at the earliest period allowed by law.

Adopted: May 9, 2023

Board of Trustees

Michael Berding: _____

Shannon Hartkemeyer: _____

Joe McAbee: _____

Vote of Trustees

yes

yes

yes

AUTHENTICATION

This is to certify that this is a resolution which was duly passed and filed with the Fairfield Township Fiscal Officer this 9th day of May, 2023.

ATTEST:

Shelly Schultz

Shelly Schultz, Fairfield Township Fiscal Officer

APPROVED AS TO FORM:

Lawrence E. Barbieri

Lawrence E. Barbieri, Assistant Township Law Director



INDICATION OF TERMS

REFERENCE NUMBER:	3327811
COMPANY NAME:	Fairfield Township
TOTAL PAYABLE:	\$9,500 plus policy admin fee \$250 plus broker fee \$150 plus \$487.50 OH SLT \$10,387.50 Total Due
Premium breakdown:	Commission is 15%
Cyber & Privacy:	USD7,250.00
Cyber Crime:	USD2,250.00
Policy Administration Fee:	USD250.00
TRIA:	USD0.00
BUSINESS OPERATIONS:	Township
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:	Socius Special Amendatory Clause Policyholder Disclosure Notice Of Terrorism Insurance Coverage
SUBJECTIVITIES:	This quote is subject to the following being provided by the stated deadline: <ol style="list-style-type: none">1. Satisfactory confirmation that you have downloaded & registered our incident response mobile app, details of which can be found with your policy documents. (30 days post binding)2. Signed version of the application form submitted, dated within 30 days of the required inception date. (14 days post binding)
POLICY PERIOD:	12 months
DATE OF ISSUE:	18 Apr 2023
OPTIONAL EXTENDED REPORTING PERIOD:	12 months for 100% of applicable annualized premium
SECURITY:	Certain underwriters at Lloyd's and other insurers

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: USD10,000 each and every claim

SECTION C: IT SECURITY AND FORENSIC COSTS

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

Deductible: USD10,000 each and every claim

SECTION D: CRISIS COMMUNICATION COSTS

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

Deductible: USD10,000 each and every claim

SECTION E: PRIVACY BREACH MANAGEMENT COSTS

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

Deductible: USD10,000 each and every claim

SECTION F: THIRD PARTY PRIVACY BREACH MANAGEMENT COSTS

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

Deductible: USD10,000 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: USD10,000 each and every claim

SECTION B: THEFT OF FUNDS HELD IN ESCROW

Limit of liability: USD250,000 each and every claim

Deductible: USD10,000 each and every claim

SECTION C: THEFT OF PERSONAL FUNDS

Limit of liability: USD250,000 each and every claim

Deductible: USD10,000 each and every claim

SECTION D: EXTORTION

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

Deductible: USD10,000 each and every claim

SECTION E: CORPORATE IDENTITY THEFT

Limit of liability: USD250,000 each and every claim

Deductible: USD10,000 each and every claim

SECTION F: TELEPHONE HACKING

Limit of liability: USD250,000 each and every claim

Deductible: USD10,000 each and every claim

SECTION G: PUSH PAYMENT FRAUD

Limit of liability: USD50,000 each and every claim

Deductible: USD10,000 each and every claim

SECTION H: UNAUTHORIZED USE OF COMPUTER RESOURCES

Limit of liability: USD250,000 each and every claim

Deductible: USD10,000 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: USD10,000 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: USD10,000 each and every claim

SECTION C: ADDITIONAL EXTRA EXPENSE

Limit of liability: USD100,000 each and every claim

Deductible: USD10,000 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: USD10,000 each and every claim

SECTION E: CONSEQUENTIAL REPUTATIONAL HARM

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

Deductible: USD10,000 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: USD10,000 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:	USD10,000	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:	USD10,000	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:	USD10,000	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:	USD10,000	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:	USD10,000	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:	USD10,000	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:	USD10,000	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: USD0 each and every claim



SOCIUS SPECIAL AMENDATORY CLAUSE

ATTACHING TO POLICY N/A

NUMBER:

THE INSURED: Fairfield Township

WITH EFFECT FROM: -

It is understood and agreed that the following amendments are made to the Declarations page:

1. **INSURING CLAUSE 7** in the Declarations page is deleted in its entirety and replaced with the following:

INSURING CLAUSE 7: COURT ATTENDANCE COSTS

Aggregate limit of liability: USD1,000,000 in the aggregate, sul limit to USD3,000 pe day

Deductible: USD0 each and every claim

2. The following **INSURING CLAUSE** is added:

INSURING CLAUSE: CRIMINAL REWARD COVERAGE

Aggregate limit of liability: USD50,000 in the aggregate

Deductible: USD0 each and every claim

It is further understood and agreed that the following amendments are made to this Policy:

1. In respect of **INSURING CLAUSE 2 (SECTION G only)**, the limit of liability will increase to USD250,000 in the event the fraudulent electronic communications or websites designed to impersonate **you** or any of **your** products are as a direct result of a **third party** compromising the **company's** network security.
2. **INSURING CLAUSE 3 (SECTIONS B and C only)** are deleted in their entirety and replaced with the following in the Policy:

SECTION B: INCOME LOSS AND EXTRA EXPENSE

We agree to reimburse **you** for **your income loss** and **extra expense** during the **indemnity period** as a direct result of an interruption to **your business operations** caused by **computer systems** downtime arising directly out of a **cyber event, system failure or operator error** which is first discovered by **you** during the **period of the policy**, provided that the **computer systems** downtime lasts longer than the **waiting period**.

SECTION C: ADDITIONAL EXTRA EXPENSE

We agree to reimburse **you** for any reasonable sums necessarily incurred during the **indemnity period** that are in addition to **your**

normal operating expenses and the **extra expense** recoverable under **INSURING CLAUSE 3 (SECTION B)** only):

- a. to source **your** products or services from alternative sources in order to meet contractual obligations to supply your customers;
- b. to employ contract staff or overtime costs for **employees** in order to continue **your business operations**;
- c. to employ specialist consultants, including IT forensic consultants to diagnose the source of the **computer systems** downtime; and
- d. for **employees** working overtime within **your** IT department to diagnose and fix the source of the **computer systems** downtime;

to mitigate an interruption to **your business operations** caused by **computer systems** downtime arising directly out of a **cyber event, system failure or operator error** which is first discovered by **you** during the **period of the policy**, provided that the **computer systems** downtime lasts longer than the **waiting period**.

3. The following **INSURING CLAUSE** is added:

INSURING CLAUSE: CRIMINAL REWARD COVERAGE

We agree to reimburse **you** for any reasonable sums necessarily incurred with **our** prior written agreement to pay any person or organization, other than:

- a. any external or internal auditor of the **company**; or
- b. any individual or organization who manages or supervises the individuals stated in a. above;

for information not otherwise available which directly results in the arrest and conviction of any person or organization who is committing or has committed any illegal act directly relating to a claim covered under **INSURING CLAUSES 1, 2, 3 or 4** which arises directly out of a **cyber event**.

4. The following is added to the third paragraph of **YOUR DEDUCTIBLE**:

For the avoidance of doubt, upon expiration of the **waiting period**, any **income loss** sustained during the **waiting period** will erode the **deductible**.

5. The **"Senior executive officer" DEFINITION** is deleted in its entirety and replaced with the following:

"Senior executive officer" means

board members, the chief executive officer, chief finance officer, human resources directors, chief technology officer, chief information officer, chief privacy officer and in-house general counsel of the **company** or their functional equivalents.

6. Part a. of the **"Supply chain partner" DEFINITION** is deleted in its entirety and replaced with the following:

a. **third party** that provides **you** with hosted computing services or any **third party** payment processor; or

7. The **"Media content" DEFINITION** is deleted in its entirety and replaced with the following:

"Media content" means

any content including, but not limited to, content disseminated through books, magazines, brochures, social media, billboards, websites, mobile applications, television and radio.

"Media content" does not include any:

- a. tangible product design;
- b. industrial design;
- c. architectural or building services;
- d. any advertisement created by **you** for a **third party**;
- e. product name;
- f. product packaging or labeling; or
- g. software products.

8. The following **DEFINITION** is added:

"Operator error" means

any unintentional human error in entering or amending electronic data within **your computer systems** or in the upgrading, maintenance or configuration of **your computer systems** where the proximate cause is not damage to any of your physical equipment or tangible property.

"Operator error" does not mean any error in the design or architecture of **your computer systems**.

9. The **"Willful or dishonest acts of senior executive officers" EXCLUSION** is deleted in its entirety and replaced with the following:

Willful or dishonest acts of senior executive officers

arising out of any willful , malicious, reckless or dishonest act or omission by a **senior executive officer** as determined by final and non-appealable adjudication, arbitral tribunal or written admission.

However, this **EXCLUSION** will not apply to any **senior executive officer** or **employee** who did not personally commit, personally participate in committing, personally acquiesce, or remain passive after having personal knowledge of such willful , malicious, reckless or dishonest act or omission.

10. The following **EXCLUSION** is added:



Supply chain partner computer systems operator, design or architecture error

arising directly or indirectly out of any:

- a. unintentional human error in entering or amending electronic data within a **supply chain partner's** computer systems or in the upgrading, maintenance or configuration of a **supply chain partner's** computer systems where the proximate cause is not damage to any of a supply chain partner's physical equipment or tangible property; or
- b. error in the design or architecture of a **supply chain partner's** computer systems.

11. The following paragraph is added to the "Additional insured" **CONDITION**:

Where **we** indemnify a **third party** as an additional insured under this Policy, this Policy will be primary and non-contributory to the **third party's** own insurance, but only if **you** and the **third party** have entered into a contract that contains a provision requiring this.

12. The last paragraph of the "Agreement to pay claims" **CONDITION** is deleted in its entirety and replaced with the following:

We will not settle any **claim** without **your** consent. If **you** refuse to provide **your** consent to a settlement recommended by **us** and elect to continue legal proceedings in connection with the **claim**, **our** liability for the **claim** will not exceed the amount for which the **claim** could have been settled, plus:

- a. 80% of any **costs and expenses** incurred after the date the settlement was recommended by **us**; and
- b. 80% of that part of any sum **you** become legally obliged to pay in excess of the settlement amount recommended by **us**.

13. The "Cancellation" **CONDITION** is deleted in its entirety and replaced with the following:

Cancellation

This Policy may be canceled with 30 days written notice by **you**.

If **you** give **us** notice of cancellation, the return **premium** will be in proportion to the number of days outstanding on the Policy. However, if **you** have made a claim under this Policy there will be no return **premium**.

We also reserve the right of cancellation in the event that any amount due to **us** by **you** remains unpaid more than 60 days beyond the **inception date**. If **we** exercise this right of cancellation it will take effect from 14 days after the date the written notice of cancellation is issued.

The Policy Administration Fee will be deemed fully earned upon



inception of the Policy.

14. The second part b. of the "Mergers and acquisitions" **CONDITION** is deleted in its entirety.
15. The "Optional extended reporting period" **CONDITION** is deleted in its entirety and replaced with the following:

Optional extended reporting period

If **we** or **you** decline to renew or cancel this Policy then **you** will have the right to have issued an endorsement providing an optional extended reporting period of:

- a. 12 months, for an additional premium of 100% of the **premium**;
- b. 24 months, for an additional premium of 140% of the **premium**; or
- c. 36 months, for an additional premium of 190% of the **premium**;

which will be effective from the cancellation or non-renewal date.

This optional extended reporting period will cover, subject to all other terms, conditions and exclusions of this Policy:

- a. any **claim** first made against **you** and reported to **us** during this optional extended reporting period, provided that the **claim** arises out of any act, error or omission committed prior to the date of cancellation or non-renewal; and
- b. any **cyber event, loss** or **system failure** first discovered by **you** during this optional extended reporting period provided that the **cyber event, loss** or **system failure** occurred during the **period of the policy**.

If **you** would like to purchase the optional extended reporting period **you** must notify **us** and pay **us** the additional premium stated within 30 days of cancellation or non-renewal.

The right to the optional extended reporting period will not be available to **you** where cancellation or non-renewal by **us** is due to non-payment of the **premium** or **your** failure to pay any amounts in excess of the applicable **policy limit** and the **incident response limit** or within the amount of the applicable **deductible** as is required by this Policy in the payment of claims.

At the renewal of this Policy, **our** quotation of different **premium, deductible**, limits of liability or changes in policy language will not constitute non-renewal by **us**.

SUBJECT OTHERWISE TO THE TERMS AND CONDITIONS OF THE POLICY



POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

ATTACHING TO POLICY N/A

NUMBER:

THE INSURED: Fairfield Township

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(l) 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