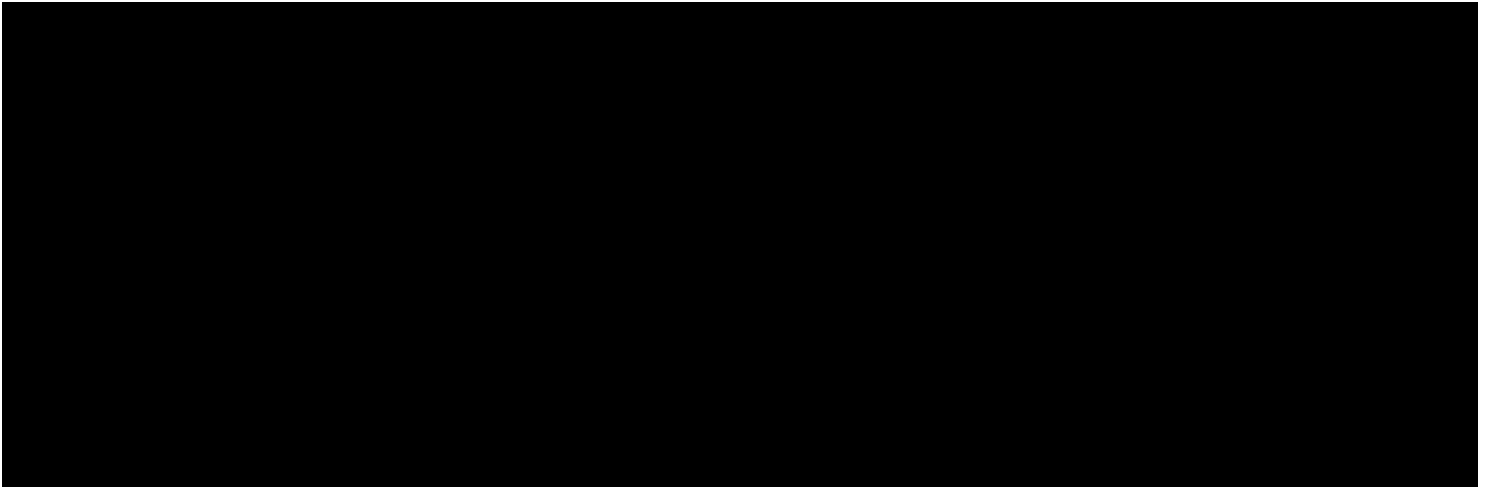




Cyber Enterprise Risk Management Insurance Proposal

Contact Information



Account Information

Applicant Name:	City of Baltimore
Applicant Address:	401 E. Fayette, Ste 700 Baltimore, MD 21202
Type of submission:	New Business
Line of Coverage: Insurance Company:	<u>Chubb Cyber Enterprise Risk Management Policy</u> <u>ACE American Insurance Company</u>
Policy Form:	PF-48168 (10/16) / PF-48169 (10/16)
Policy Period:	TBD; 12 month policy period

Dear Neeraj,

I am pleased to offer the attached indication for City of Baltimore. The commission payable for placement of this business is 15.00%.

Thank you for considering Chubb as your market of choice. We look forward to working with you. Should you have any questions, please do not hesitate to contact me.

Sincerely,

Joe Rouse
Senior Underwriter
Chubb- Financial Lines

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Chubb Cyber Enterprise Risk Management Policy**Option: 1**

Maximum Single Limit of Insurance	\$10,000,000	Total Annual Premium	\$500,103
Maximum Policy Aggregate Limit of Insurance	\$10,000,000		

First Party Insuring Agreements

Check if Included	Insuring Agreement	Limit of Insurance Each Incident/Aggregate	Retention/Waiting Period Each Incident	Cyber Incident Response Coach Retention
<input checked="" type="checkbox"/>	Cyber Incident Response Fund	Data Breach Team (Inside the Limit)*		
	Cyber Incident Response Team	\$10,000,000/\$10,000,000	\$1,000,000	\$1,000,000
	Non-Panel Response Provider	\$2,500,000/\$2,500,000	\$1,000,000	\$1,000,000
<input checked="" type="checkbox"/>	Business Interruption Loss and Extra Expenses	\$10,000,000/\$10,000,000	\$1,000,000/12 Hours	<u>N/A</u>
<input checked="" type="checkbox"/>	Contingent Business Interruption Loss and Extra Expenses			
	Unscheduled Providers	\$10,000,000/\$10,000,000	\$1,000,000/12 Hours	<u>N/A</u>
	Scheduled Providers	\$10,000,000/\$10,000,000	\$1,000,000/12 Hours	<u>N/A</u>
<input checked="" type="checkbox"/>	Digital Data Recovery	\$10,000,000/\$10,000,000	\$1,000,000	<u>N/A</u>
<input checked="" type="checkbox"/>	Network Extortion	\$10,000,000/\$10,000,000	\$1,000,000	<u>N/A</u>

Third Party Liability Insuring Agreements

Check if Included	Insuring Agreement	Limit of Insurance Each Claim/Aggregate	Retention Each Claim	Retroactive Date	Pending or Prior Proceedings Date
<input checked="" type="checkbox"/>	Cyber, Privacy And Network Security Liability	\$10,000,000/\$10,000,000	\$1,000,000	Policy Inception	Policy Inception
	Payment Card Loss	\$10,000,000/\$10,000,000	\$1,000,000	Policy Inception	Policy Inception
	Regulatory Proceedings	\$10,000,000/\$10,000,000	\$1,000,000	Policy Inception	Policy Inception
<input checked="" type="checkbox"/>	Electronic, Social And Printed Media Liability	\$10,000,000/\$10,000,000	\$1,000,000	Policy Inception	Policy Inception

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The Following Notice(s) will be added to the basic contract(s)

Title	Form Number
1. Chubb Producer Compensation Practices & Policies	ALL-20887a (03/16)
2. Cyber Services for Incident Response – Notice to Policyholders	PF-48259 (10/16)
3. Cyber Services for Loss Mitigation	PF-48260 (10/16)
4. U.S. Treasury Department’s Office of Foreign Assets Control (“OFAC”) Advisory Notice to Policyholders	PF-17914a (04/16)
5. Policyholder Disclosure Notice of Terrorism Insurance Coverage	TR-19606d (01/15)

The Following Endorsement(s) will be added to the basic contract(s)

Title	Form Number
1. Forms Schedule	PF-48152 (09/16)
2. Signature Endorsement	CC-1K11i (02/18) (All States except Ohio)
3. Trade or Economic Sanctions Endorsement	PF-46422 (07/15)
4. General Enhancement Endorsement – Cyber	PF-49468 (08/17)
5. Non-Malicious Computer Act- System Failure- BI (\$10M) and CBI (\$10M); 12 hrs	PF-48275 (08/17)
6. Representations Amended- Reliance on Other Carrier App	PF-48279 (10/16)
7. Prior Knowledge Endorsement	PF-49478 (08/17)
8. Additional Insured- Blanket Pursuant to a Contract	PF-48155 (09/16)
9. Preventative Shutdown	PF-49501 (08/17)
10. Specific Incident Exclusion (2019 ransomware event)	PF-48161 (09/16)
11. Period of Restoration (120 days)	PF-48160 (09/16)

Applicant Name: City of Baltimore

Subjectivities

Chubb hereby indicates the coverage described below. However, any obligations the Insurer may have under this indication are conditioned upon each of the following conditions having first been met

1. The Applicant has submitted to the Insurer the following documents, and the Insurer has received such documents no later than close of business Document Due Date:
 - a. Properly executed Chubb Warranty Letter;
2. If coverage is subsequently bound by the Insurer, the Applicant has remitted the premium specified below to the Insurer so that the Insurer receives the premium no later than close of business on the 30th day from the date of the Binder or the Effective Date of the policy, whichever is later.

Please Note the Following for the Terrorism Risk Insurance Act:

Coverage for acts of terrorism is included in your policy. The portion of your annual premium that is attributable to coverage for acts of terrorism is \$0, and does not include any charges for the portion of losses covered by the United States government under the Act.

Loss Mitigation Services

With the purchase of a [Chubb Cyber Enterprise Risk Management Policy](#), we offer various premiere services as a benefit to policyholders to help mitigate cyber risks before an event occurs. Please note that some services may require an additional fee. Any fees are not premium for the insurance policy. The fee is paid to the entity performing the service. There is no commission associated with the fee. The entities listed on the website are not providers of insurance services and are not affiliated with Chubb. Purchase of any service does not guaranty that losses will be fewer or less severe. Any loss mitigation inspection, assessment, or audit purchased, and any report or recommendation resulting therefrom, shall not constitute an undertaking at the behest of or for the benefit of Chubb. Chubb also assumes no responsibility to implement any resulting recommendations.

Service Selected: Chubb Loss Mitigation Services (Additional Fee with No Commission)	Total Cost
<input type="checkbox"/> Incident Response Readiness led by Fidelis	\$3,000
<input type="checkbox"/> Information Governance led by Huron	\$3,000
<input type="checkbox"/> Network Vulnerability Scans led by NetDiligence	\$3,000
<input type="checkbox"/> Phishing Simulation led by Wombat	\$3,000
<input type="checkbox"/> Dark Web Discovery led by Bit Sight	\$3,000

Policy Holder Contract

- Name: [Click here to enter text.](#)
- Title: [Click here to enter text.](#)
- Phone: [Click here to enter text.](#)
- Email: [Click here to enter text.](#)

Total Cost for Loss Mitigation Services: **\$ x,xxx**

Conditions of this Indication

This indication will remain valid until 8/30/2019.

If between the date of this Indication and the Effective Date of the policy there is a significant adverse change in the condition of this Applicant, or an occurrence of an event, or other circumstances which could substantially change the underwriting evaluation of the Applicant, then, at the Insurer's option, this indication may be withdrawn by written notice thereof to Applicant. The Insurer also reserves the right to modify the final terms and conditions upon review of the completed application and any other information requested by the underwriter herein. If such material change in the risk is discovered after binding, the insurance coverage will be void ab initio ("from the beginning").

FOR POLICIES EFFECTIVE JULY 21, 2011 AND SUBSEQUENT, WE REQUIRE THE PRODUCER TO PROVIDE THE "HOME STATE" AS DEFINED IN THE NONADMITTED AND REINSURANCE REFORM ACT OF 2010 (NRRA) UPON THE BINDING OF THIS PLACEMENT. IF THE STATE SET FORTH IN THE ABOVE-REFERENCED INSURED ADDRESS IS THE HOME STATE OF THE INSURED, NO ACTION IS REQUIRED. HOWEVER, IF THE HOME STATE OF THE INSURED IS OTHER THAN THAT SET FORTH IN THE INSURED ADDRESS, YOU MUST NOTIFY US IN WRITING PRIOR TO THE BINDING OF THIS PLACEMENT.

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Note: If the Insuring Company noted above is either Westchester Surplus Lines Insurance Company or Illinois Union Insurance Company, then this insurance is issued pursuant to the state Surplus Lines laws that the insured is domiciled. Persons insured by Surplus Lines carriers do not have the protection of the above captioned state's Guaranty Act to the extent of any right of recovery for the obligation of an insolvent unlicensed insurer.

Any applicable taxes, surcharges or countersignature fees, etc., are in addition to the above indicated figures. Your office is responsible for making State Surplus Lines Filings and complying with all applicable laws.

Sincerely,



Senior Underwriter
Chubb- Financial Lines

**POLICYHOLDER DISCLOSURE
NOTICE OF TERRORISM
INSURANCE COVERAGE**

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 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 _____, and does not include any charges for the portion of losses covered by the United States government under the Act.

I ACKNOWLEDGE THAT I HAVE BEEN NOTIFIED THAT UNDER THE TERRORISM RISK INSURANCE ACT, AS AMENDED, ANY LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM UNDER MY POLICY COVERAGE MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT AND MAY BE SUBJECT TO A \$100 BILLION CAP THAT MAY REDUCE MY COVERAGE, AND I HAVE BEEN NOTIFIED OF THE PORTION OF MY PREMIUM ATTRIBUTABLE TO SUCH COVERAGE.

TRADE OR ECONOMIC SANCTIONS ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This insurance does not apply to the extent that trade or economic sanctions or similar laws or regulations prohibit us from providing insurance, including, but not limited to, the payment of claims. All other terms and conditions of policy remain unchanged.

Authorized Representative

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**U.S. Treasury Department's
Office
Of Foreign Assets Control
("OFAC")
Advisory Notice to Policyholders**

This Policyholder Notice shall not be construed as part of your policy and no coverage is provided by this Policyholder Notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided.

This Notice provides information concerning possible impact on your insurance coverage due to directives issued by OFAC. **Please read this Notice carefully.**

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions policy, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous:

- Foreign agents;
- Front organizations;
- Terrorists;
- Terrorist organizations; and
- Narcotics traffickers;

as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's web site – <http://www.treas.gov/ofac>.

In accordance with OFAC regulations, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance are immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.

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**Chubb Producer Compensation
Practices & Policies**

Chubb believes that policyholders should have access to information about Chubb's practices and policies related to the payment of compensation to brokers and independent agents. You can obtain that information by accessing our website at <http://www.aceproducercompensation.com> or by calling the following toll-free telephone number: 1-866-512-2862.

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**U.S. FOREIGN ACCOUNT
TAX COMPLIANCE ACT (“FATCA”)**

The U.S. Foreign Account Tax Compliance Act, commonly known as “FATCA”, became the law in the U.S. in March of 2010 and becomes effective July 1, 2014. Pursuant to FATCA, brokers, producers, agents and/or clients may need to obtain withholding certificates from insurance companies. For information on how to obtain the applicable withholding certificate from CHUBB U.S. insurance companies, please go to the following web site:

<http://www2.chubb.com/us-en/u-s-foreign-account-tax-compliance-act-fatca.aspx>