

RESOLUTION

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FLORENCE, ALABAMA, that the attached proposal from Marsh & McLennan Agency for Travelers Insurance Company to provide network security (“cyber”) liability insurance for the City of Florence for the period December 3, 2024, through December 3, 2025, is hereby approved, ratified and confirmed.

BE IT FURTHER RESOLVED BY THE CITY COUNCIL OF THE CITY OF FLORENCE, ALABAMA, that the proper City officials and/or employees are hereby authorized and directed to take such other action and to execute in the name and on behalf of the City such other contracts, documents, and certificates as may be necessary or desirable to procure the insurance policies contemplated in the attached proposal.

ADOPTED this the _____ day of _____, 2024.

CITY COUNCIL

APPROVED this the _____ day of _____, 2024.

MAYOR

ADOPTED & APPROVED this the _____ day of _____, 2024.

CITY CLERK-TREASURER



**MarshMcLennan
Agency**

Proposal for Insurance Services

City of Florence

Policy Term:

12/03/2024 to 12/03/2025

Presented By:

Chad Jenkins
Vice President

Your future is limitless.™

Marsh & McLennan Agency Client Service Team

Marsh & McLennan Agency LLC
 110 West Tennessee Street
 Florence, AL 35630

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Claims Representative: Jennifer Goodwin Claims Analyst	Phone: 256-980-9023 Email: Jennifer.Goodwin@MarshMMA.com

Premium Summary and Comparison

Policy	Expiring Premium	Proposed Premium
Cyber Liability	\$56,658.00	\$50,091.00
Premium Total	\$56,658.00	\$50,091.00

No coverage is provided by this summary. Coverage conditions are highlights only and are subject to exclusions and additional terms as stated within the policy. Not all exclusions, terms and conditions are shown. If there are any differences between the policy and the proposal, the policy prevails. For details of coverage, refer to policy forms, terms and conditions.

Premium Payment

Policy	Payment Terms
Cyber Liability	Annual, Payable to Marsh McLennan Agency

Items to Consider:

- Premium is \$6,500 less than expiring!
- Policy renewed "automatically" with no renewal application &/or information requested by carrier.
- Travelers remains the best option for the City's Cyber program.
- We negotiated with Travelers to increase **Reputation Harm** coverage from \$250,000 to full \$1M limit.

Named Insured Schedule

Named Insureds listed below may not apply to all coverages depending upon their insurable interest. Special care must be taken to insure all legal entities of your business, including any LLC (Limited Liability Corporation), JV (Joint Venture), and Partnerships. Many insurance policies do not cover these entities unless they are specifically named on the policy. It is important to notify your agent if an entity is formed during the policy term. Let us know if one of your entities is not listed below.

Named Insured	Cyber Liability
City of Florence	X

Schedule of Locations

Loc #	Address
1	P.O. Box 98; Florence AL 35631

Network Security (Cyber) & Privacy Liability

Policy Term: 12/3/2024 to 12/3/2025

Insurer: Travelers Casualty and Surety Company of America

AM Best Rating: A++

Policy Form: Claims Made

LIMITS

Limits of Insurance:	Limit
Policy Aggregate Limit	\$1,000,000

Insuring Agreements – First Party:	Sub-Limit (included in Aggregate)	Per Incident Retention Deductible
Computer Fraud	\$1,000,000	\$50,000
Funds Transfer Fraud	\$1,000,000	\$50,000
Social Engineering Fraud	\$100,000	\$50,000
Telecom Fraud	\$100,000	\$50,000
Business Interruption	\$1,000,000	
Dependent Business Interruption	\$1,000,000	
Dependent Business Interruption – System Failure	\$1,000,000	
Dependent Business Interruption – Outsource Provider	\$1,000,000	
Dependent Business Interruption – Outsource Provider - System Failure	\$1,000,000	
Reputation Harm	\$1,000,000	\$50,000
System Failure	\$1,000,000	

Network Security (Cyber) & Privacy Liability, Cont'd.

Insuring Agreements – Third Party:	Sub-Limit (included in Aggregate)	Per Claim Retention
Privacy & Security Liability	\$1,000,000	\$50,000
Regulatory Proceedings	\$1,000,000	\$50,000
Payment Card Costs	\$1,000,000	\$50,000
Media Liability	\$1,000,000	\$50,000
Privacy Breach Notification	\$1,000,000	\$50,000
Computer and Legal Experts	\$1,000,000	\$50,000
Betterment	\$100,000	
Cyber Extortion	\$1,000,000	\$50,000
Data Restoration	\$1,000,000	\$50,000
Public Relations	\$1,000,00	\$50,000

Claim / Incident Reporting:

- Travelers 1-800-842-8496

Additional First Party Provisions

- Accounting Costs Limit: \$25,000
- Betterment Coparticipation: 50%
- Period of Restoration: 180 Days
- Period of Indemnity: 30 Days
- Wait Period: 8 Hours
- Emergency Costs Limit: \$250,000

Pre-Loss Mitigation Tools:

- Go to www.rmplusonline.com

Travelers Cyber Disclosure

Cyber Liability

It is MMA's recent experience that Travelers will seek confirmation related to Multifactor Authentication (MFA) when an Insured contacts either a Breach Coach to triage a data breach event and/or Travelers to make a Claim related to a Privacy or Network Security incident. Expect that Travelers will ask if (1) MFA was in place at the time the application was signed; (2) MFA was in place at the time of policy inception; and (3) MFA was in place at the time of the incident.

Additional Travelers resources:

- Travelers CyberRisk Multifactor Authentication (MFA) Attestation Guide is available for review.
- Travelers offers its CyberRisk policyholders access to a one-hour consultation with a Symantec™ Security Coach who can provide much-needed expertise. This confidential service is available Monday through Friday (9 a.m. - 5 p.m. EST) at no additional cost. For direct access to the Symantec Security Coach please contact Glen Carl at 844.211.4552 or via email at sed.cicsecuritycoach@hcl.com.

TRV MFA Guide is located here: [CP-9631 CyberRisk MFA Attestation Guide W22.pdf](#)

MMA's Cyber Resiliency Network

MMA's Cyber Resiliency Network (CRN) is an offering of vetted partner resources to assist you with three distinct areas of cyber risk management:

- Proactive information security
- Privacy law compliance and risk management
- Employee cyber security training & education.

Additional information is available

<https://www.marshmma.com/us/lp/cyber-resiliency-network-client.html>

AM Best Rating Scale

GUIDE TO BEST'S FINANCIAL STRENGTH RATINGS – (FSR)

A Best's Financial Strength Rating (FSR) is an independent opinion of an insurer's financial strength and ability to meet its ongoing insurance policy and contract obligations. An FSR is not assigned to specific insurance policies or contracts and does not address any other risk, including, but not limited to, an insurer's claims-payment policies or procedures; the ability of the insurer to dispute or deny claims payment on grounds of misrepresentation or fraud; or any specific liability contractually borne by the policy or contract holder. An FSR is not a recommendation to purchase, hold or terminate any insurance policy, contract or any other financial obligation issued by an insurer, nor does it address the suitability of any particular policy or contract for a specific purpose or purchaser. In addition, an FSR may be displayed with a rating identifier, modifier or affiliation code that denotes a unique aspect of the opinion.

Best's Financial Strength Rating (FSR) Scale

Rating Categories	Rating Symbols	Rating Notches*	Category Definitions
Superior	A+	A++	Assigned to insurance companies that have, in our opinion, a superior ability to meet their ongoing insurance obligations.
Excellent	A	A-	Assigned to insurance companies that have, in our opinion, an excellent ability to meet their ongoing insurance obligations.
Good	B+	B++	Assigned to insurance companies that have, in our opinion, a good ability to meet their ongoing insurance obligations.
Fair	B	B-	Assigned to insurance companies that have, in our opinion, a fair ability to meet their ongoing insurance obligations. Financial strength is vulnerable to adverse changes in underwriting and economic conditions.
Marginal	C+	C++	Assigned to insurance companies that have, in our opinion, a marginal ability to meet their ongoing insurance obligations. Financial strength is vulnerable to adverse changes in underwriting and economic conditions.
Weak	C	C-	Assigned to insurance companies that have, in our opinion, a weak ability to meet their ongoing insurance obligations. Financial strength is very vulnerable to adverse changes in underwriting and economic conditions.
Poor	D	-	Assigned to insurance companies that have, in our opinion, a poor ability to meet their ongoing insurance obligations. Financial strength is extremely vulnerable to adverse changes in underwriting and economic conditions.

* Each Best's Financial Strength Rating Category from "A+" to "C" includes a Rating Notch to reflect a gradation of financial strength within the category. A Rating Notch is expressed with either a second plus "+", or a minus "-".

Financial Strength Non-Rating Designations

Designation Symbols	Designation Definitions
E	Status assigned to insurers that are publicly placed, via court order into conservation or rehabilitation, or the international equivalent, or in the absence of a court order, clear regulatory action has been taken to delay or otherwise limit policyholder payments.
F	Status assigned to insurers that are publicly placed via court order into liquidation after a finding of insolvency, or the international equivalent.
S	Status assigned to rated insurance companies to suspend the outstanding FSR when sudden and significant events impact operations and rating implications cannot be evaluated due to a lack of timely or adequate information; or in cases where continued maintenance of the previously published rating opinion is in violation of evolving regulatory requirements.
NR	Status assigned to insurance companies that are not rated; may include previously rated insurance companies or insurance companies that have never been rated by AM Best.

Rating Disclosure – Use and Limitations

A Best's Credit Rating (BCR) is a forward-looking independent and objective opinion regarding an insurer's, issuer's or financial obligation's relative creditworthiness. The opinion represents a comprehensive analysis consisting of a quantitative and qualitative evaluation of balance sheet strength, operating performance, business profile and enterprise risk management or, where appropriate, the specific nature and details of a security. Because a BCR is a forward-looking opinion as of the date it is released, it cannot be considered as a fact or guarantee of future credit quality and therefore cannot be described as accurate or inaccurate. A BCR is a relative measure of risk that implies credit quality and is assigned using a scale with a defined population of categories and notches. Entities or obligations assigned the same BCR symbol developed using the same scale, should not be viewed as completely identical in terms of credit quality. Alternatively, they are alike in category (or notches within a category), but given there is a prescribed progression of categories (and notches) used in assigning the ratings of a much larger population of entities or obligations, the categories (notches) cannot mirror the precise subtleties of risk that are inherent within similarly rated entities or obligations. While a BCR reflects the opinion of A.M. Best Rating Services, Inc. (AM Best) of relative creditworthiness, it is not an indicator or predictor of defined impairment or default probability with respect to any specific insurer, issuer or financial obligation. A BCR is not investment advice, nor should it be construed as a consulting or advisory service, as such; it is not intended to be utilized as a recommendation to purchase, hold or terminate any insurance policy, contract, security or any other financial obligation, nor does it address the suitability of any particular policy or contract for a specific purpose or purchaser. Users of a BCR should not rely on it in making any investment decision; however, if used, the BCR must be considered as only one factor. Users must make their own evaluation of each investment decision. A BCR opinion is provided on an "as is" basis without any expressed or implied warranty. In addition, a BCR may be changed, suspended or withdrawn at any time for any reason at the sole discretion of AM Best.

For the most current version, visit www.ambest.com/ratings/index.html. BCRs are distributed via the AM Best website at www.ambest.com. For additional information regarding the development of a BCR and other rating-related information and definitions, including outlooks, modifiers, identifiers and affiliation codes, please refer to the report titled "Guide to Best's Credit Ratings" available at no charge on the AM Best website. BCRs are proprietary and may not be reproduced without permission.

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Version 121719

Client Authorization to Bind Coverage

LINES OF COVERAGE TO BIND

Coverage Description	Effective Dates
Cyber Liability	12/03/2024

(Please initial)

_____ Bind as Proposed

_____ Bind with the following changes

Authorized Signature _____

Title/Position _____

Date _____

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Compensation Disclosure and Limitation of Liability

Marsh & McLennan Agency LLC ("MMA") prides itself on being an industry leader in the area of transparency and compensation disclosure. We believe you should understand how we are paid for the services we are providing to you. We are committed to compensation transparency and to disclosing to you information that will assist you in evaluating potential conflicts of interest.

As a professional insurance producer, MMA and its subsidiaries facilitate the placement of insurance coverage on behalf of our clients. As an independent insurance agent, MMA may have authority to obligate an insurance company on behalf of our clients and as a result, we may be required to act within the scope of the authority granted to us under our contract with the insurer. In accordance with industry custom, we are compensated either through commissions that are calculated as a percentage of the insurance premiums charged by insurers, or fees agreed to with our clients.

MMA engages with clients on behalf of itself and in some cases as agent on behalf of its non-US affiliates with respect to the services we may provide. For a list of our non-US affiliates, please visit: <https://mma.marshmma.com/non-us-affiliates>. In those instances, MMA will bill and collect on behalf of the non-US Affiliates amounts payable to them for placements made by them on your behalf and remit to them any such amounts collected on their behalf.

MMA receives compensation through one or a combination of the following methods:

- **Retail Commissions** – A retail commission is paid to MMA by the insurer (or wholesale broker) as a percentage of the premium charged to the insured for the policy. The amount of commission may vary depending on several factors, including the type of insurance product sold and the insurer selected by the client. If MMA places business through an affiliated wholesale broker or managing general agent, MMA will advise the client of this at or prior to placement.
- **Client Fees** – Some clients may negotiate a fee for MMA's services in lieu of, or in addition to, retail commissions paid by insurance companies. Fee agreements are in writing, typically pursuant to a Client Service Agreement, which sets forth the services to be provided by MMA, the compensation to be paid to MMA, and the terms of MMA's engagement. The fee may be collected in whole, or in part, through the crediting of retail commissions collected by MMA for the client's placements.
- **Contingent Commissions** – Many insurers agree to pay contingent commissions to insurance producers who meet set goals for all or some of the policies the insurance producers place with the insurer during the current year. The set goals may include volume, profitability, retention and/or growth thresholds. Because the amount of contingent commission earned may vary depending on factors relating to an entire book of business over the course of a year, the amount of contingent commission attributable to any given policy typically will not be known at the time of placement.
- **Supplemental Commissions** – Certain insurers and wholesalers agree to pay supplemental commissions, which are based on an insurance producer's performance during the prior year. Supplemental commissions are paid as a percentage of premium that is set at the beginning of the calendar year. This percentage remains fixed for all eligible policies written by the insurer during the ensuing year. Unlike contingent commissions, the amount of supplemental commission is known at the time of insurance placement. Like contingent commissions, they may be based on volume, profitability, retention and/or growth.
- **Wholesale Broking Commissions** – Sometimes MMA acts as a wholesale insurance broker. In these placements, MMA is engaged by a retail agent that has the direct relationship with the insured. As the wholesaler, MMA may have specialized expertise, access to surplus lines markets, or access to specialized insurance facilities that the retail agent does not have. In these transactions, the insurer typically pays a commission that is divided between the retail and wholesale broker pursuant to arrangements made between them.
- **Medallion Program and Sponsorships** – Pursuant to MMA's Medallion Program, participating carriers sponsor educational programs, MMA events and other initiatives. Depending on their sponsorship levels, participating carriers are invited to attend meetings and events with MMA executives, have the opportunity to provide education and training to MMA colleagues and receive data reports from MMA. Insurers may also sponsor other national and regional programs and events.
- **Other Compensation & Sponsorships** – From time to time, MMA may be compensated by insurers for providing administrative services on behalf of those insurers. Such amounts are typically calculated as a percentage of premium or are based on the number of insureds. Additionally, insurers may sponsor MMA training programs and events. MMA may also have arrangements with vendors who compensate MMA for referring clients for vendor services.

We will be pleased to provide you additional information about our compensation and information about alternative quotes upon your request. For more detailed information about the forms of compensation we receive please refer to our Marsh & McLennan Agency Compensation Guide at <https://www.marshmma.com/us/compensation-guide.html>.

MMA's aggregate liability arising out of or relating to any services on your account shall not exceed ten million dollars (\$10,000,000), and in no event shall we be liable for any indirect, special, incidental, consequential or punitive damages or for any lost profits or other economic loss arising out of or relating to such services. In addition, you agree to waive your right to a jury trial in any action or legal proceeding arising out of or relating to such services. The foregoing limitation of liability and jury waiver shall apply to the fullest extent permitted by law.

Rev March 15, 2024

Minimum Earned & Deposit Premiums

Minimum Deposit

Minimum and deposit is the amount of premium due at inception. Although the policy is "ratable", subject to adjustment based on a rate per exposure unit, under no circumstances will the annual earned premium be less than the minimum deposit premium. The policy may generate an additional premium on audit, but will not result in a return. If such a policy is cancelled mid-term, the earned premium is the greater of the annual minimum multiplied by the short rate or pro-rate factor, or the actual earned as determined by audit, subject to a short rate penalty if applicable.

Minimum Earned Premium

A minimum earned premium endorsement can be attached to either a flat charge policy or an adjustable policy. In either case, this amount is the least that will be retained by the carrier once the policy goes into effect. The amount retained would be the greater of the actual earned premium whether calculated on a pro-rate or short-rate basis, or the minimum earned premium.

Flat Cancellations

Surplus lines carriers typically do not allow flat cancellations. Once the policy is in effect, some premium will be earned, and the amount or percentage is outlined in the policy.

Direct Bill Policies

Notices you receive from your insurer regarding past due premiums or cancellation due to non-payment of premium shall be considered notice from Marsh & McLennan Agency LLC (MMA). As a matter of general practice, MMA does not provide notice of a potential lapse of coverage due to non-payment of premium to clients where coverage is written on a direct bill basis.

Proposal Disclaimer

Marsh & McLennan Agency LLC ("MMA") thanks you for the opportunity to discuss your insurance and risk management program. No coverage is provided by this summary. Coverage conditions are highlights only and are subject to exclusions and additional terms as stated within the policy. Not all exclusions, terms and conditions are shown. If there are any differences between the policy and the proposal, the policy prevails. For details of coverage, refer to policy forms, terms and conditions.

We have evaluated your exposures to loss and developed this proposal based upon the information that you have provided to us. If you are aware of other areas of potential exposure that need to be evaluated or of additional information of which we should be aware prior to binding of coverage, please bring the other areas or additional information to our attention as soon as possible. Should any of your exposures change after coverage is bound, please notify us immediately.

Client Contracts

In the event that you enter into a contract that has specific insurance requirements, MMA will review your contract, but only in regards to the insurance requirements of the contract. The scope of our review will be to determine if the current insurance program which you have placed through our agency addresses the types and amounts of insurance coverage referenced by the contract. We will identify the significant insurance obligations and will provide a summary of the changes required in your current insurance program to meet the requirements of the contract. Upon your authorization, we will make the necessary changes in your insurance program. We will also be available to discuss any insurance requirements of the contract with your attorney, if desired.

In performing a contract review, MMA is not providing legal advice or a legal opinion concerning any portion of the contract. In addition, MMA is not undertaking to identify all potential liabilities that may arise under any such contracts. A contract review is provided solely for your information and should not be relied upon by third parties. Any descriptions of the insurance coverages are subject to the terms, conditions, exclusions, and other provisions of the contract and of the insurance policies and applicable regulations, rating rules or plans.

Credit Policy

Marsh & McLennan Agency LLC (MMA) strives to offer the highest quality of service at the most competitive price possible. Accordingly, we have the following credit policy in place to assure that your coverage is not interrupted during the policy term.

All premiums are due on the invoice date or effective date of the insurance, whichever is later. Always submit the remittance copy with your payment. If a remittance copy is not submitted, we will apply the cash to the oldest items on the account. Also, credit memos that cannot be applied against the original invoice will be applied to the oldest items on the account unless you direct us otherwise.

If installment payments are available and provided under insurance policy terms, you will receive an invoice for each installment. Installments are due on the effective date of the invoice. MMA does not finance annual or installment premiums. However, should you wish to finance your premium, we can place your financing with an approved insurance premium finance company.

Your Account Manager maintains on-line access to all of your coverage, premium and accounting detail and will be able to answer most billing questions. Any other questions will be referred directly to our accounting department for immediate response. We thank you for your support and business.

Did you know Marsh McLennan Agency offers two options to pay your bill online, using a valid checking/savings account or via credit card? Our system is safe and secure and is an easy tool to pay your invoices online.

Pay Your Bill Online

Direct Link to Payment via Checking/Savings Account: <https://serviceapi.securfee.com/marshmma>

Direct Link to Payment via Credit Card: <https://serviceapi.securfee.com/marshmma>

Frequently Asked Questions

- You can pay any invoice using a valid Checking or Savings account or Credit Card.
- Both payment gateways seamlessly integrate with our existing website and can securely accept multiple payment options.
- Credit Card payments require a Policy Number, Invoice Number, First & Last Name, Email Address, Named Insured on Policy & Address
- There will be a 3.5% fee charged to the cardholder by SecureFee for Credit Card Payments.
- Checking/Savings payments require a Policy Number, Invoice Number, First & Last Name, Email Address, Named Insured on Policy & Address.
- There will be a non-refundable \$4.00 security and delivery fee charged by SecurFee for ACH/Checking payment transactions.