

ORDINANCE NO. 019-87

AN ORDINANCE AUTHORIZING
THE PURCHASE OF CYBER
INSURANCE COVERAGE FOR
POLICY YEAR NOVEMBER 1,
2019 THROUGH OCTOBER 31,
2020

WHEREAS, On December 10, 2015, the Chicago Transit Authority ("Authority") renewed its brokerage contract with Mesirow Insurance Services, Inc., a division of Mesirow Financial ("Mesirow"), to provide professional insurance brokerage services to the Authority for an additional five years, effective until January 2021; and

WHEREAS, Mesirow was directed by the Authority to engage in a competitive process to identify insurance carriers that could provide cyber insurance to the Authority; and

WHEREAS, Mesirow approached the insurance market aggressively, submitting the Authority's underwriting submission for cyber insurance coverage to six insurance carriers; and

WHEREAS, Staff recommends the purchase of cyber insurance from Beazley for a sum of approximately Seventy-Two Thousand Three Hundred Forty-Four Dollars (\$72,344.00) for a coverage limit of Five Million Dollars (\$5,000,000.00) for policy year November 1, 2019 to October 31, 2020; and

WHEREAS, The cyber insurance policy includes comprehensive coverage for damages due to the failure to protect or wrongful release of confidential personal information, costs to provide notification to those affected, defense costs and payment of fines related to regulatory agency actions, forensic costs for experts and attorneys to determine the cause and severity of a breach, payments demanded in connection with third-party ransomware attacks, and loss of business revenues related to an interruption or suspension of computer systems due to a security breach; now, therefore:

BE IT ORDAINED BY THE CHICAGO TRANSIT BOARD
OF THE CHICAGO TRANSIT AUTHORITY:

SECTION 1. The Chairman of the Chicago Transit Board, or his designee, is authorized to enter into an insurance contract for cyber insurance with Beazley for cyber insurance coverage with a coverage limit of Five Million Dollars (\$5,000,000.00) for policy year November 1, 2019 to October 31, 2020, for a cost of approximately Seventy-Two Thousand Three Hundred Forty-Four Dollars (\$72,344.00).

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SECTION 2. The Chairman, or his designee, is further authorized to take such actions and execute such documents as may be necessary to implement the objectives of this ordinance.

SECTION 3. This ordinance shall be in full force and effect from and after its passage.

APPROVED:

PASSED:

Chairman

October 10, 2019

Assistant Secretary

October 10, 2019