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State of New Hampshire
DEPARTMENT OF ADMINISTRATIVE SERVICES
OFFICE OF THE COMMISSIONER
25 Capitol Street – Room 120
Concord, New Hampshire 03301

CHARLES M. ARLINGHAUS
Commissioner
(603)-271-3201

JOSEPH B. BOUCHARD
Assistant Commissioner
(603)-271-3204

August 11, 2017

His Excellency, Governor Christopher T. Sununu
and the Honorable Council
State House
Concord, NH 03301

REQUESTED ACTION

Authorize the Department of Administrative Services (DAS) to enter into a contract with The Rowley Agency, (vendor #154464) in an amount not to exceed \$241,915.00 for Data Security and Privacy Cyber Liability insurance for New Hampshire state government upon Governor and Council approval for the period effective August 23, 2017 through August 23, 2018. **100% General Funds.**

Funding is available in the following account:

Department of Administrative Services, Risk Management Unit 01-14-14-143510-29010000

	<u>FY18</u>
211-500757 Catastrophic Casualty Ins.	\$241,915.00

EXPLANATION

The procurement of Data Security and Privacy Cyber Liability insurance for state government was included in the FY18/19 budget and is part of a strategic risk management plan to limit the State's exposure to financial loss from a breach in our data security. The Department of Information and Technology and Department of Administrative Services worked together to complete the application process and develop coverage specifications. This contract provides coverage to state government including the executive branch, legislative branch, judicial branch, State Treasury, and Secretary of State and leadership from those entities were consulted during the development process.

The Rowley Agency (Rowley) arranged for this purchase in accordance with its contract with the State for *Producer Services for Property and Casualty Insurance*. Rowley Vice President Robert Simpson made inquiries to fourteen insurance markets about the

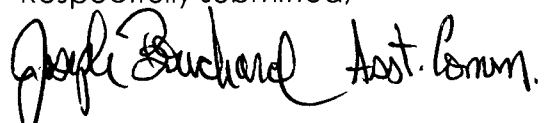
program. Two vendors responded with offers to provide coverage in compliance with specifications: Chubb subsidiary Westchester (Chubb) and Hiscox.

Chubb provided the most competitive terms and quote of \$211,915 for aggregate coverage in the amount of \$10,000,000 with an option to purchase full prior acts coverage for an additional \$30,000. The policy has a \$250,000 deductible and includes coverage for privacy/media liability, incident (breach) response, network extortion, digital data recovery, business interruption costs, terrorism and prior acts. Incident response coverage includes the necessary forensics, notification response requirements, call centers, identity protection and crisis management. The optional prior acts coverage will extend coverage to claims for unknown data breaches that occurred prior to inception of this policy.

The total cost of the premium is \$241,915.00. The quoted premium is void of agency fee or commission.

The Rowley Agency recommends that coverage be secured through Chubb and the Risk Management Unit agrees. We respectfully request your approval.

Respectfully submitted,

Handwritten signature of Charles M. Arlinghaus in black ink, written in a cursive style. To the right of the signature, the words "Asst. Comm." are written in a similar cursive hand.

 Charles M. Arlinghaus
Commissioner

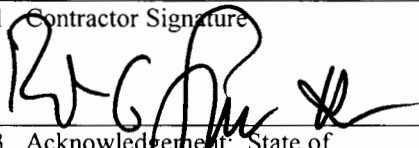
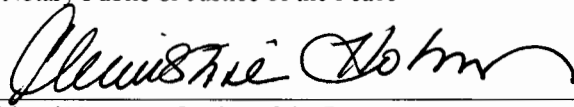
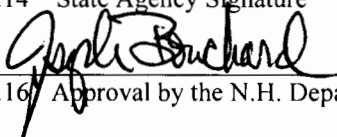
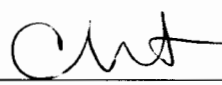
Notice: This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

AGREEMENT

The State of New Hampshire and the Contractor hereby mutually agree as follows:

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name Department of Administrative Services		1.2 State Agency Address 25 Capitol Street, Concord, NH 03301	
1.3 Contractor Name The Rowley Agency		1.4 Contractor Address 45 Constitution Avenue, Concord, NH 03301	
1.5 Contractor Phone Number 603-224-2562	1.6 Account Number 01-14-14-143510-29010000-211-500757	1.7 Completion Date August 23, 2018	1.8 Price Limitation \$241,915
1.9 Contracting Officer for State Agency Catherine A. Keane, Director of Risk and Benefits		1.10 State Agency Telephone Number 603-271-2059	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Robert C. Simpson, II, Vice President	
1.13 Acknowledgement: State of _____, County of _____ On <u>8-11-17</u> , before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace <div style="display: flex; align-items: center;"> [Seal]  </div>			
1.13.2 Name and Title of Notary or Justice of the Peace		CHRISTINE H. HOLMAN, Notary Public My Commission Expires May 8, 2019	
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory Joseph Buchard Assistant Commissioner	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Date: <u>8-11-17</u> Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) (if applicable) By:  On: <u>8/14/17</u>			
1.18 Approval by the Governor and Executive Council (if applicable) By: _____ On: _____			

2. EMPLOYMENT OF CONTRACTOR/SERVICES TO BE PERFORMED. The State of New Hampshire, acting through the agency identified in block 1.1 (“State”), engages contractor identified in block 1.3 (“Contractor”) to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT A which is incorporated herein by reference (“Services”).

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Executive Council approve this Agreement as indicated in block 1.18, unless no such approval is required, in which case the Agreement shall become effective on the date the Agreement is signed by the State Agency as shown in block 1.14 (“Effective Date”).

3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

4. CONDITIONAL NATURE OF AGREEMENT.

Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Contractor notice of such termination. The State shall not be required to transfer funds from any other account to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

5. CONTRACT PRICE/PRICE LIMITATION/PAYMENT.

5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.

5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.

5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.

6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. This may include the requirement to utilize auxiliary aids and services to ensure that persons with communication disabilities, including vision, hearing and speech, can communicate with, receive information from, and convey information to the Contractor. In addition, the Contractor shall comply with all applicable copyright laws.

6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.

6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 (“Equal Employment Opportunity”), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States access to any of the Contractor’s books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.

7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.

7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this

Contractor Initials RCJ
Date 8/14/17

Agreement. This provision shall survive termination of this Agreement.

7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

8. EVENT OF DEFAULT/REMEDIES.

8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):

8.1.1 failure to perform the Services satisfactorily or on schedule;

8.1.2 failure to submit any report required hereunder; and/or

8.1.3 failure to perform any other covenant, term or condition of this Agreement.

8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:

8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;

8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;

8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or

8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

9.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

9.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.

9.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

10. TERMINATION. In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

11. CONTRACTOR'S RELATION TO THE STATE. In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS. The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written notice and consent of the State. None of the Services shall be subcontracted by the Contractor without the prior written notice and consent of the State.

13. INDEMNIFICATION. The Contractor shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based or resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Contractor. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

14. INSURANCE.

14.1 The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate ; and

14.1.2 special cause of loss coverage form covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.

14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

Contractor Initials RCS
Date 1/11/17

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than thirty (30) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each certificate(s) of insurance shall contain a clause requiring the insurer to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than thirty (30) days prior written notice of cancellation or modification of the policy.

15. WORKERS' COMPENSATION.

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A (*"Workers' Compensation"*).

15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

16. WAIVER OF BREACH. No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor.

17. NOTICE. Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

18. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire unless no

such approval is required under the circumstances pursuant to State law, rule or policy.

19. CONSTRUCTION OF AGREEMENT AND TERMS.

This Agreement shall be construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party.

20. THIRD PARTIES. The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

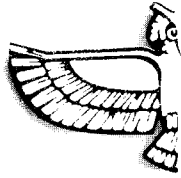
21. HEADINGS. The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

22. SPECIAL PROVISIONS. Additional provisions set forth in the attached EXHIBIT C are incorporated herein by reference.

23. SEVERABILITY. In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

24. ENTIRE AGREEMENT. This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire Agreement and understanding between the parties, and supersedes all prior Agreements and understandings relating hereto.

Contractor Initials RC S
Date 8/1/17



THE ROWLEY AGENCY INC
INSURANCE • BONDS • BENEFITS
 ...an Assurex Global Partner

State of NH Marketing Results

For: Cyber Enterprise Risk Management for St of NH
 Policy Effective Date: 8-23-17 – 8-23-18

The Rowley Agency, Inc has arranged for this insurance purchase in accordance with it’s contract with the State of NH for Producer Services. Robert Simpson, the Producer, has made inquiries to specific insurance markets about this program. The results of our marketing efforts are below.

Market Approached	Results
Chubb	Most competitive pricing and terms
Chubb	Most competitive pricing and terms
Hiscox	Chubb’s pricing too competitive; coverage too broad
Catlin	Declined – not a market for governmental risks
Travelers	Declined – too competitively priced
Berkley	Declined – could not compete on coverage; limits
AIG	Would write excess layers only

Our Recommendation/comments:

8-9-17

Chubb is clearly the most competitive market for a full \$10 million limit in terms of coverages, premium, expertise in claims handling and full prior acts. We started with about 14 markets and then had serious discussions with about 6. The State has some unique cyber exposures because of the many systems that are used by the different agencies. While the State is doing an excellent job updating systems there are some systems that are no longer supported by the vendor which many carriers simply will not cover. Chubb’s retention level was also a consideration which ended up being the lowest among the carriers we went to. I am fully confident we have provided a great option for Cyber coverage for the State of NH.

Cyber Enterprise Risk Management Premium Indication(s):

Chubb Cyber Enterprise Risk Management Policy

Option: 1

Maximum Single Limit of Insurance	\$10,000,000	Total Annual Premium	\$241,915
Maximum Policy Aggregate Limit of Insurance	\$10,000,000		
Optional Extended Reporting Period: 12 months for 100% of last annual premium (other options are quoted by endorsement)			

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 Reponse Fund	Data Breach Team (Inside the Limit)*		
	Cyber Incident Response Team	\$10,000,000 / \$10,000,000	\$250,000	\$0
	Non-Panel Response Provider	\$1,000,000 / \$1,000,000	\$250,000	\$250,000
<input checked="" type="checkbox"/>	Business Interruption Loss and Extra Expenses	\$10,000,000 / \$10,000,000	\$250,000/10 Hours	N/A
<input checked="" type="checkbox"/>	Contingent Business Interruption Loss and Extra Expenses			
	Unscheduled Providers	\$2,000,000 / \$2,000,000	\$250,000/10 Hours	N/A
	Scheduled Providers	NIL	N/A	N/A
<input checked="" type="checkbox"/>	Digital Data Recovery	\$10,000,000 / \$10,000,000	\$250,000	N/A
<input checked="" type="checkbox"/>	Network Extortion	\$10,000,000 / \$10,000,000	\$250,000	N/A

* Limits will automatically increase to the limits referenced in the Cyber Incident Response Fund Sidecar endorsement option if the Cyber Incident Response Team is used and subject to all terms of the endorsement. Please refer to the terms and conditions of the Cyber Incident Response Fund Sidecar endorsement.

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	\$250,000	Full Prior Acts	Policy Inception
	Payment Card Loss	\$10,000,000 / \$10,000,000	\$250,000	Full Prior Acts	Policy Inception
	Regulatory Proceedings	\$10,000,000 / \$10,000,000	\$250,000	Full Prior Acts	Policy Inception
<input checked="" type="checkbox"/>	Electronic, Social And Printed Media Liability	\$10,000,000 / \$10,000,000	\$250,000	Full Prior Acts	Policy Inception

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

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. Foreign Account Tax Compliance Act – FACTA Notice	ALL-42490b (07/16)
5. U.S. Treasury Department’s Office of Foreign Assets Control (“OFAC”) Advisory Notice	ILP 001 (01/04)
6. Policyholder Disclosure Notice of Terrorism Insurance Coverage	TR-19606d (01/15)
7. Disclosure Pursuant to Terrorism Risk Insurance Act	TRIA11d (03/16)
8. Cap on Losses From Certified Acts of Terrorism	PF-45354 (01/15)
9. Trade or Economic Sanctions Endorsement	PF-46422 (07/15)
10. Loss of Technical Support Exclusion TBD	PF-48209 (09/16)
11. Loss Control Right to Inspect (To attach only if Loss Control is required by Chubb)	PF-48268 (10/16)
12. Period of Restoration - Fill In 90 DAYS	PF-48160 (09/16)
13. Termination Amended - Non Cancelable Except Nonpayment of Premium	PF-48340 (10/16)
14. Additional Insured – Blanket Pursuant to a Contract – Cyber ERM	PF-48155 (09/16)
15. Signature Endorsement	CC1k11h (03/14)
16. Representations Amended – Waiver of Application – Reliance Upon Other Carrier’s Application TBD	PF-48279 (10/16)
17. Specified Incident Exclusion TO REFERENCE DATA BREACH INCIDENT	PF-48161 (09/16)
18. Amendatory Endorsement – New Hampshire	PF-48314 (03/17)

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 **PRIOR TO THE EFFECTIVE DATE OF COVERAGE**:
 - a. Completed, signed and dated Chubb Cyber Enterprise Risk Management New Business application and all materials requested thereon (OR LIU DATA INSUR APPLICATION SUBJECT TO A WAIVER OF APPLICATION ENDORSEMENT);
 - b. Completed, signed and dated Cloud Service Providers Supplemental Application and all materials requested thereon (ONLY REQUIRED IF LIU APPLICATION IS ACCEPTED);
 - c. Completed, signed and dated Supplemental Claim Questionnaire Application regarding data breach incident including monies incurred
 - d. Does your company use any software or hardware that is no longer supported or has been identified as end-of-support by the software or hardware vendor?
If YES, please provide a list and plans for replacement and/or reasoning behind there being no plans to replace;
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.

Performance Guarantee review **Data Security and Privacy Cyber Liability Insurance Coverage for State Government**
Contract Agreement Between
The Department of Administrative Services
and The Rowley Agency

Exhibit A - Scope of Services

ARTICLE 1. SCOPE OF SERVICES

This EXHIBIT A, Scope of Services, is made a part of the P-37 Agreement (the "Agreement") and is made according to the terms of paragraph 2 of the Form P-37. This EXHIBIT A to the Agreement is between the State of New Hampshire ("State") and The Rowley Agency ("Rowley"). Rowley, hereinafter called the Contractor, agrees to provide Data Security and Privacy Cyber Liability insurance coverage for the State of New Hampshire to include the executive branch, legislative branch, judicial branch, state treasury, and secretary of state.

ARTICLE 2. EFFECTIVE DATE

Effective Date of Agreement: August 23, 2017
Expiration Date of Agreement: August 23, 2018
12:01AM Standard Time at the address of the State stated herein.

ARTICLE 3. INSURANCE COVERAGE DETAILS

The coverage consists of Data Security and Privacy Cyber Liability insurance coverage with an aggregate limit of \$10,000,000 and \$250,000 deductible for (1) Privacy Liability (including regulatory defense and penalty coverage Payment Card Industry [PCI] fines and penalty coverage); (2) Media Liability; (3) Incident Response (breach) Costs (notifications, call centers, identity protection, crisis management, public relations costs, and forensics); (4) Network Extortion; (5) Digital Data Recovery costs; (6) Business Interruption losses including extra expenses; (7) Terrorism coverage; and (8) Full Prior Acts coverage.

ARTICLE 4. ACCOUNT MANAGEMENT

Rowley shall manage this policy in accordance with the terms and conditions of the *Producer Services for Property and Casualty Insurance for the State*, effective July 1, 2015.

Contractor Initials Res
Date 8/11/17

**Data Security and Privacy Cyber Liability Insurance Coverage for
State Government
Contract Agreement Between
The Department of Administrative Services
and The Rowley Agency**

Exhibit B – Price and Method of Payment

This EXHIBIT B, Contract Price, Limitation on Price, Payment is made a part of the Agreement and is made according to the terms of paragraph 5 of the Form P-37.

ARTICLE 1. CONTRACT PRICE

THE ROWLEY AGENCY hereby agrees to provide the services in complete compliance with the terms and conditions specified in Exhibit A at the price below for the term of the contract ("contract price"). The total Contract Price for the term of the Agreement as shown in block 1.8 of the P-37 is \$241,915 which reflects the annual premium for the coverage period of August 23, 2017 to August 23, 2018.

The appropriate account number for the P-37 form, section 1.6 is: 01-14-14-143510-29010000-211-500757.

The quoted premium is void of agency fee or commission.

ARTICLE 2. INVOICING

THE ROWLEY AGENCY shall submit an invoice to:

The State of New Hampshire
Department of Administrative Services
Risk Management Unit
25 Capitol Street, Rm 412
Concord, NH 03301
Or via email to: diane.caldon@nh.gov

The premium payment of \$241,915 is due within thirty days from the date of contract approval by Governor and Council. The State shall not make payments to THE ROWLEY AGENCY prior to the Agreement effective date of August 23, 2017.

ARTICLE 3. PAYMENT

The State shall make payment to THE ROWLEY AGENCY electronically via ACH or by check mailed to the address in Section 1.4 of the P-37. Payment terms are net thirty days subject to approval of the submitted invoice.

Contractor Initials RCJ
Date 8/14/17

**Data Security and Privacy Cyber Liability Insurance Coverage for
State Government
Contract Agreement Between
The Department of Administrative Services
and Rowley Agency**

Exhibit C – Special Provisions

Form P-37, section 14 Insurance, is amended per the attached certificate of insurance from The Rowley Agency Inc. to include the following coverage enhancements:

1. General Liability coverage with limits of \$1,000,000 per occurrence/\$2,000,000 in the aggregate
2. Automobile Insurance coverage with combined single limits of \$1,000,000 per accident
3. Excess/umbrella insurance coverage with limits of \$10,000,000 per occurrence and in the aggregate
4. Workers compensation coverage with statutory limits and Employers' Liability with limits of \$500,000 per accident and \$500,000 policy limit
5. Errors and Omissions liability insurance coverage with limits of \$10,000,000
6. Crime/Fidelity coverage with limits of \$500,000

Contractor Initials 1205
Date 8/14/17

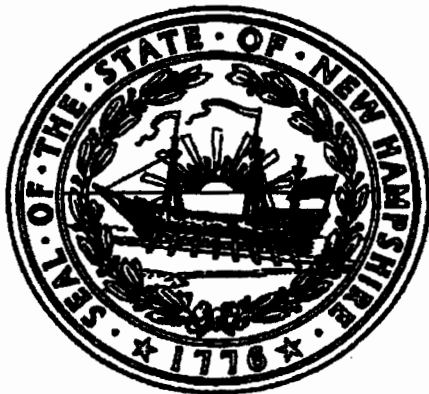
State of New Hampshire

Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that THE ROWLEY AGENCY, INC. is a New Hampshire Profit Corporation registered to transact business in New Hampshire on December 07, 1966. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 14763



IN TESTIMONY WHEREOF,
I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 27th day of June A.D. 2017.

A handwritten signature in black ink, appearing to read "William M. Gardner".

William M. Gardner
Secretary of State

CERTIFICATE OF VOTE/AUTHORITY

CORPORATE RESOLUTION

I, Bruce H. Langley, Assistant Secretary and Treasurer of The Rowley Agency, Inc. a corporation organized and existing under the laws of the State of New Hampshire (the Company), do hereby certify that the following is a true and correct copy of a resolution duly adopted at a meeting of the Board of Directors of the Company duly held and convened on August 11, 2017, at which meeting a duly constituted quorum of the Board of Directors was present and acting throughout, and that such resolution has not been modified, rescinded or revoked, and is at present in full force and effect:

Resolved: That Robert C. Simpson II, Vice President of The Rowley Agency, Inc. is empowered and authorized to execute contracts related to the State of New Hampshire Cyber Liability Insurance.

In Witness Whereof, the undersigned has affixed his signature and the corporate seal of the Company this 11th of August, 2017


Bruce H. Langley
Assistant Secretary and Treasurer



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

8/11/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER THE ROWLEY AGENCY INC. 45 Constitution Avenue P.O. Box 511 Concord NH 03302-0511	CONTACT NAME: Peggy Johnson	
	PHONE (A/C, No, Ext): (603) 224-2562	FAX (A/C, No): (603) 224-8012
E-MAIL ADDRESS: pjohnson@rowleyagency.com		
INSURER(S) AFFORDING COVERAGE		NAIC #
INSURER A: Continental Western Insurance		
INSURER B: Acadia Insurance Company		31325
INSURER C: MEMIC Indemnity Company		11030
INSURER D: Travelers Cas & Sur Co of Amer		31194
INSURER E:		
INSURER F:		

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			CPA003817929-NH	2/1/2017	2/1/2018	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
B	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> SCHEDULED AUTOS NON-OWNED AUTOS			CAA003817529	2/1/2017	2/1/2018	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ Medical payments \$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 0			CUA003818329	2/1/2017	2/1/2018	EACH OCCURRENCE \$ 10,000,000 AGGREGATE \$ 10,000,000
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	3A States: NH, VT, ME 3102802541	2/1/2017	2/1/2018	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 500,000 E.L. DISEASE - EA EMPLOYEE \$ 500,000 E.L. DISEASE - POLICY LIMIT \$ 500,000
D	Employee Dishonesty - Crime			105882645	2/1/2016	2/1/2019	\$500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

State of NH Cyber Insurance effective date:
8-23-17/8-23-18

CERTIFICATE HOLDER**CANCELLATION**

State of NH Dept. of Administrative Services 25 Capitol St. Concord, NH 03301	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE Peggy Johnson/PAJ <i>Peggy A Johnson</i>
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WESTPORT INSURANCE CORPORATION

Policy Number: WED4NH005998211
Renewal of Policy: WED4NH005998210

INSURANCE INDUSTRY PROFESSIONAL LIABILITY COVERAGE FOR INSURANCE AGENCIES

DECLARATIONS

THIS IS A CLAIMS MADE POLICY. PLEASE READ CAREFULLY.

A. NAMED INSURED:
THE ROWLEY AGENCY, INC.

Address:
45 Constitution Avenue
PO Box 511
CONCORD, NH 03302-0511

B. POLICY PERIOD: From 12:01 A.M. February 01, 2017 To 12:01 A.M. February 01, 2018
Local time at the address stated herein

C. POLICY Limits of Liability: \$25,000,000 Per CLAIM
\$25,000,000 Aggregate for the POLICY PERIOD
Sublimit of Liability for
BREACH OF PERSONAL DATA: NO COVERAGE Per CLAIM
NO COVERAGE Aggregate for the POLICY PERIOD

D. DEDUCTIBLE: \$ 25,000 Per CLAIM
\$ 75,000 Aggregate for the POLICY PERIOD

E. Premium:

F. RETROACTIVE DATE: Full Prior Acts

Total Premium:

Policy Number: WED4NH005998211
Renewal of Policy: WED4NH005998210

These Declarations, together with the application and supplements and attachments hereto, POLICY forms and any endorsements, shall constitute the contract between the NAMED INSURED and the Company. The following forms and endorsements are made a part of this POLICY.

Forms / Endorsements

SP 4 6040	12-15	DECLARATION PAGE
SP 4 584	12-15	IIP LIABILITY COVERAGE FOR INS. AGENCIES
SP 000 244	01-12	DAMAGES AND CLAIM EXPENSES DEDUCTIBLE
SP 4 859	12-11	NOTICE TO COMPANY ENDORSEMENT
SP 4 901	02-11	AMEND WRONGFUL ACTS DEF-PERSONAL DATA
WIG-NH	03-11	AMEND END - NH (CANCELLATION/NONRENEWAL)

In witness whereof, the Company issuing this POLICY has caused this POLICY to be signed by its authorized officers, but it shall not be valid unless also signed by the duly authorized representative of the Company.

WESTPORT INSURANCE CORPORATION



Countersignature

Date

Authorized Representative

SP 4 604 O 0610

Page 2 of 2

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