



Oregon

Joint Committee on Information Management & Technology

Presented by: Shelly Hoffman, DAS Risk Management, Risk Manager
Bonnie Robbins, DAS Risk Management, Risk Consulting Mgr

Date: May 17, 2023



Cyber Market Update Q2 2023

Source: Willis Towers Watson (WTW)

- Carrier appetite for public entity/higher education continues to be tight, with only a dozen or so primary markets willing to write business
- The sector remains a disfavored class, with underwriters requiring clients to meet stringent controls
- Carriers are adjusting coverage for ransomware by applying sub-limits, co-insurance and broader exclusions
- Few carriers willing to provide more than \$5M in limits





Underwriting Process – Public Entity

Source: WTW

- Insurers are requiring significantly more information and higher security standards given concerns about smaller cybersecurity budgets, aging IT infrastructure, attractiveness as a target (high volumes of PII data) and ransomware targeting.
- Insurers are vulnerability scanning policyholders, requiring remediation of weaknesses prior to quoting
- If you have an existing insurance policy the renewal process is longer





Insurance Carrier Underwriting

Source: WTW

- Remote Desktop Protocol (RDP)
 - Dominant attack vector for ransomware
 - VPN
 - Use of a firewall to restrict access
- Multifactor Authentication (MFA)
- Policy/Procedures for Backing up systems
 - Reduces the severity of Ransomware losses
 - Encryption
 - Physically storing in another location
- Minimize the number of Local Admin Accounts
- Regular cybersecurity awareness & phishing training





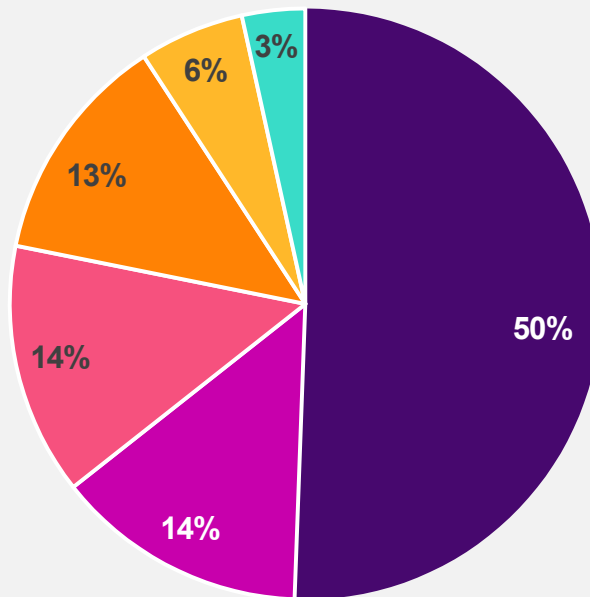
WTW Proprietary Cyber Claims Data

Public & State Entity Cyber Notifications by Service

Public & state entity cyber notifications by service

Note: State reference is any state not just Oregon.

- Most notifications for Public Entities are from the public administration sector



- Public administration
- Education
- Insurance & banking / FI
- Transportation
- Healthcare
- Other

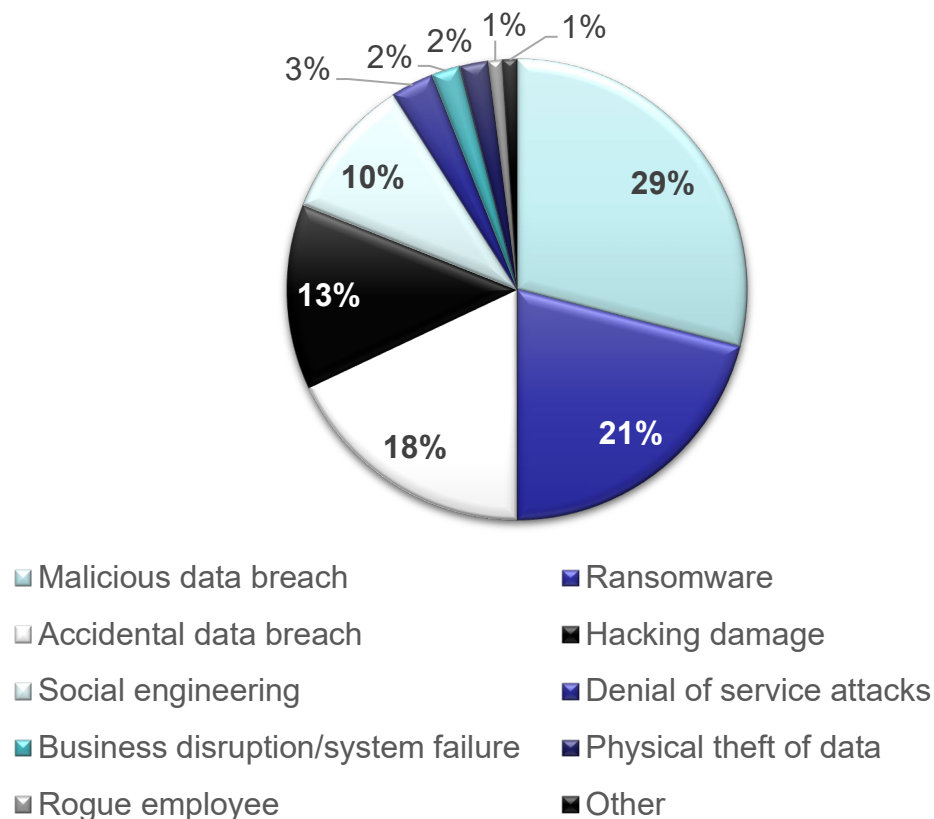




Public Entity Claims Data

Source: WTW Data

Public Entity Claims Data





State of Oregon

- Currently state agencies absorb the costs of any cyber related event except for:
 - 3rd party torts when the state agency is negligent
- Oregon Lottery is the only quasi-public agency with a cyber liability policy





Oregon Lottery – Cyber Policy

- Initially purchased in 2019
- Annually renews with the most recent policy effective March 2023
- Premium has increased significantly over time
- Deductible has also increase over time
- Coverage sub-limits have been added





THANK YOU!

