

Department of Administrative Services



DAS Risk Management Cyber Liability Update

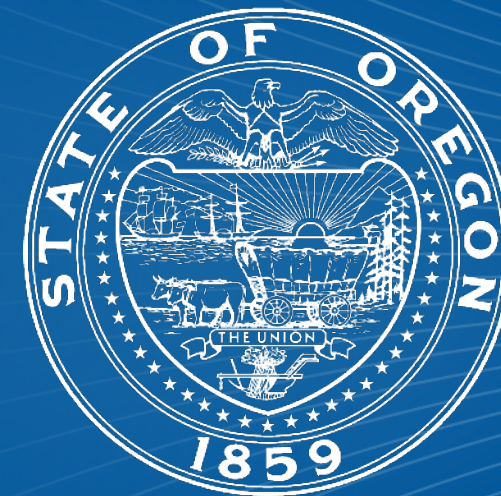
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March 21, 2025

Agenda

- 01** Cyber Market Update
- 02** Self-Insurance Coverage
- 03** Oregon Lottery Cyber Policy



Cyber Market Update



Cyber Market Update- Market Appetite



Cyber Market Appetite Q2 2025

Source: Willis Towers Watson (WTW)

Increased interest from insurance carriers (Insurers)

Underwriters require public entities meet stringent controls

Coverage amount is limited at \$5M

Towers of more than one carrier provide more limit

Insurance carriers are adjusting coverage

Ransomware by applying sub-limits and co-insurance
Broad exclusions for risks with poor cyber hygiene

Cyber Market Update- Underwriting



Insurance Carrier Underwriting

Source: WTW

- Insurers requiring more information, higher security standards as concerns escalate:
 - Aging IT infrastructure
 - Increased Personal Identifiable Information (PII), Protected Health Information (PHI)
 - Connectivity to other public entities
 - Ransomware target
- Insurers may do vulnerability scan prior to quoting on public facing surfaces
- Remote Desktop Protocol (RDP)
 - VPN
 - Use of a firewall to restrict access

Cyber Market Update- Underwriting



Insurance Carrier Underwriting

Source: WTW

- Multifactor Authentication (MFA)
 - for standard and sensitive system access, remote and third-party applications
- Policy and procedures for backing up systems
 - Encryption
 - Physically storing in another location
- Minimal number of local administrative accounts
- Privileged access management tool - Additional security for admin and privileged accounts
- Regular training for cybersecurity awareness and phishing

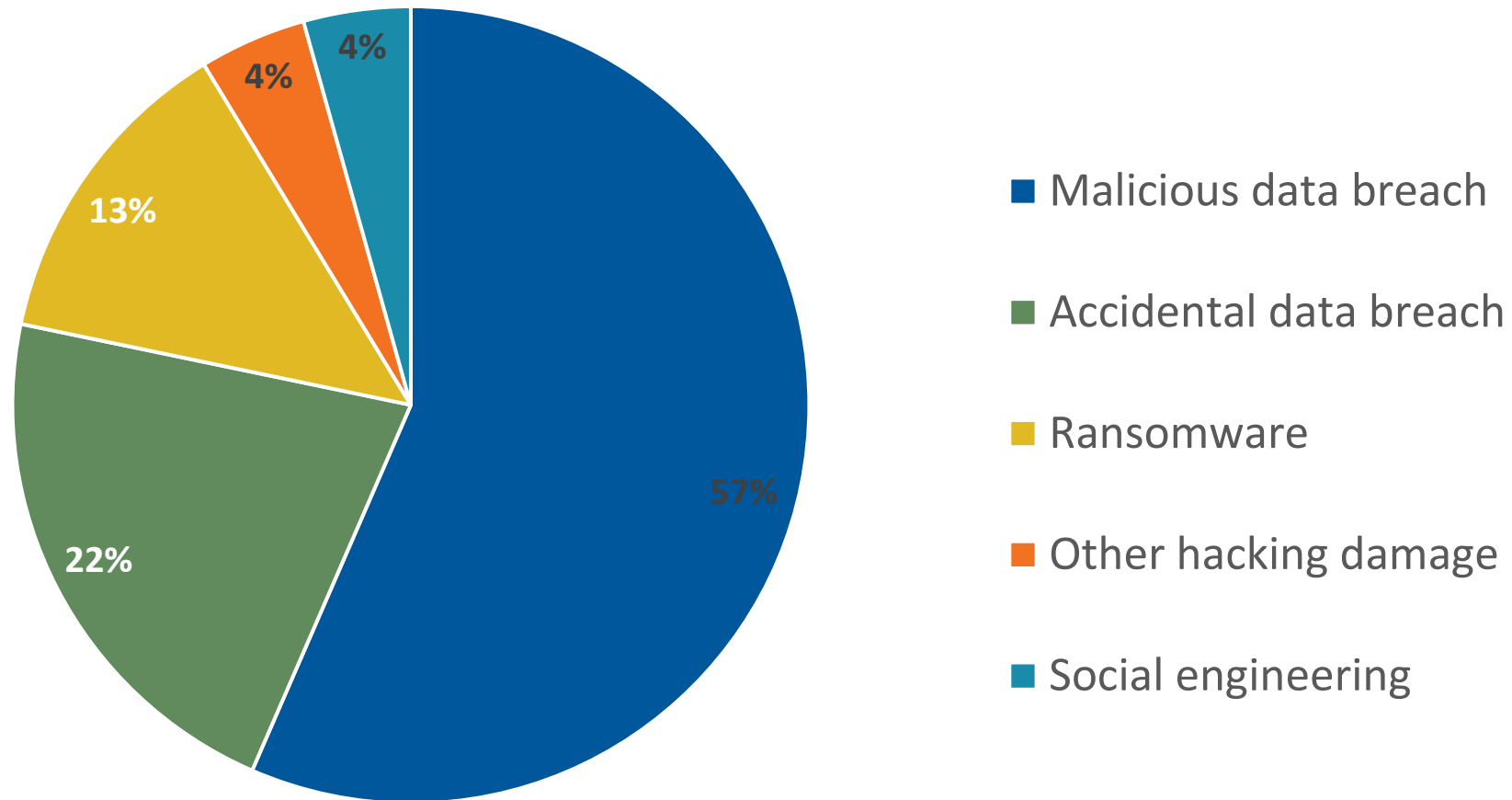
Claims



Claims- Public Entity Claims Data



Public Entity Claims Data – Cyber notifications



Claims- Oregon



Agency Cost

- Currently, state agencies absorb the costs of cyber-related events, except for third-party torts when the state agency is negligent

Liability Policy

- Oregon Lottery is the only (quasi) public agency with a cyber liability policy

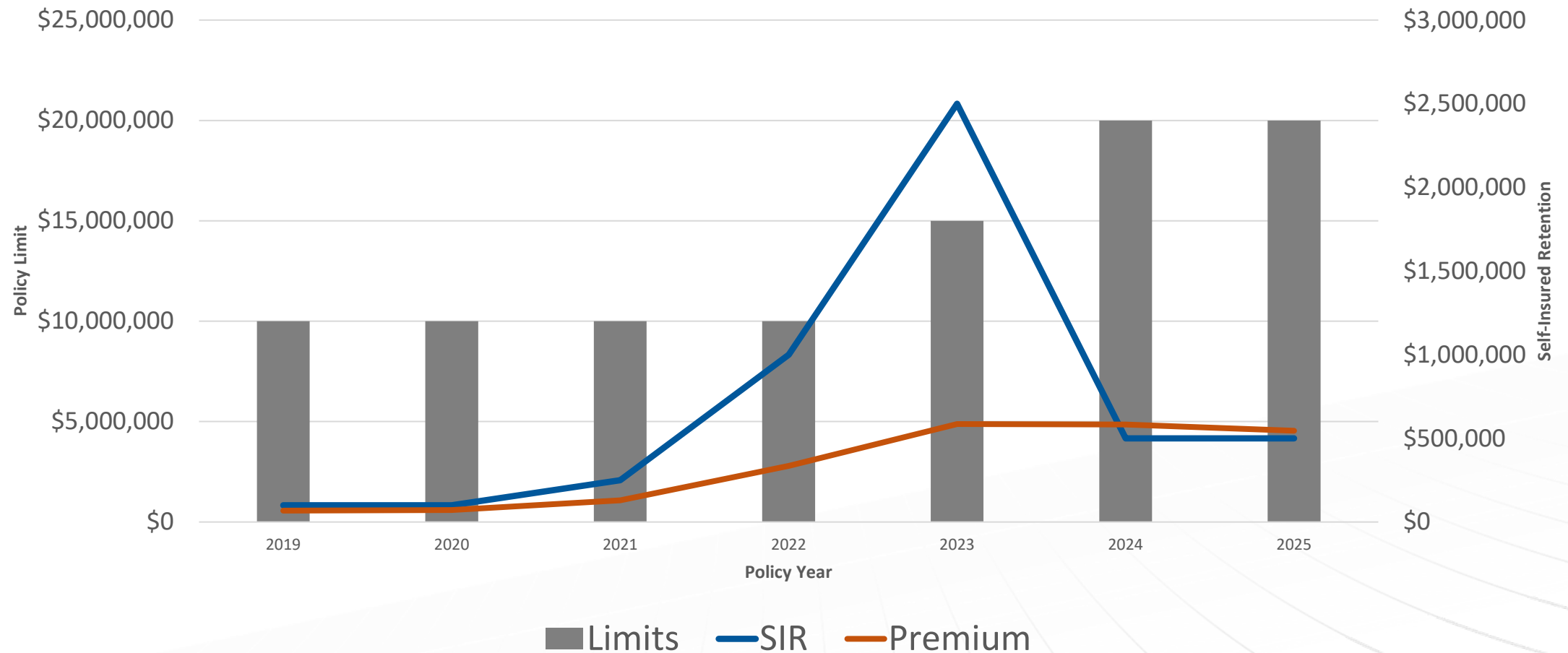
Oregon State Lottery



Oregon State Lottery – Cyber Policy

- Initially purchased in 2019
- Annually renews with the most recent policy effective March 2025
- 2025 renewal was an overwhelming success
 - Substantial decrease in the Self-Insured Retention (SIR)
 - Reduction in premium
 - Lottery made dramatic improvements in cyber hygiene

Oregon State Lottery



Oregon State Lottery



Ransomware Sub-Limit

2019: \$10M w/\$100K Retention

2020: \$10M w/\$100K Retention

2021: \$10M w/\$250K Retention

2022: \$2.5M w/\$1M Retention

2023: \$5M w/\$2.5M Retention

2024: \$5M w/\$500K Retention

2025: \$5M w/\$500K Retention

Thank You

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