

CIS Cyber Insurance Update

Presentation to the Joint Legislative Committee on Information Management and Technology



March 21, 2025

Objectives

1. Introduction
2. Claims experience – There's some good news
3. Coverage movement - Are entities acquiring more?
4. Changes to coverage tiers and limits
5. Define minimal cyber hygiene to qualify for coverage
6. How can you help?

About CIS

- Founded in 1981 by LOC and AOC
- Member-owned and governed
- Trusted provider of insurance coverage for Oregon's cities and counties
- 98% of cities
- 81% of counties
- Meet unique Risk Management needs for Oregon's public entities

Introduction

Greg Hardin

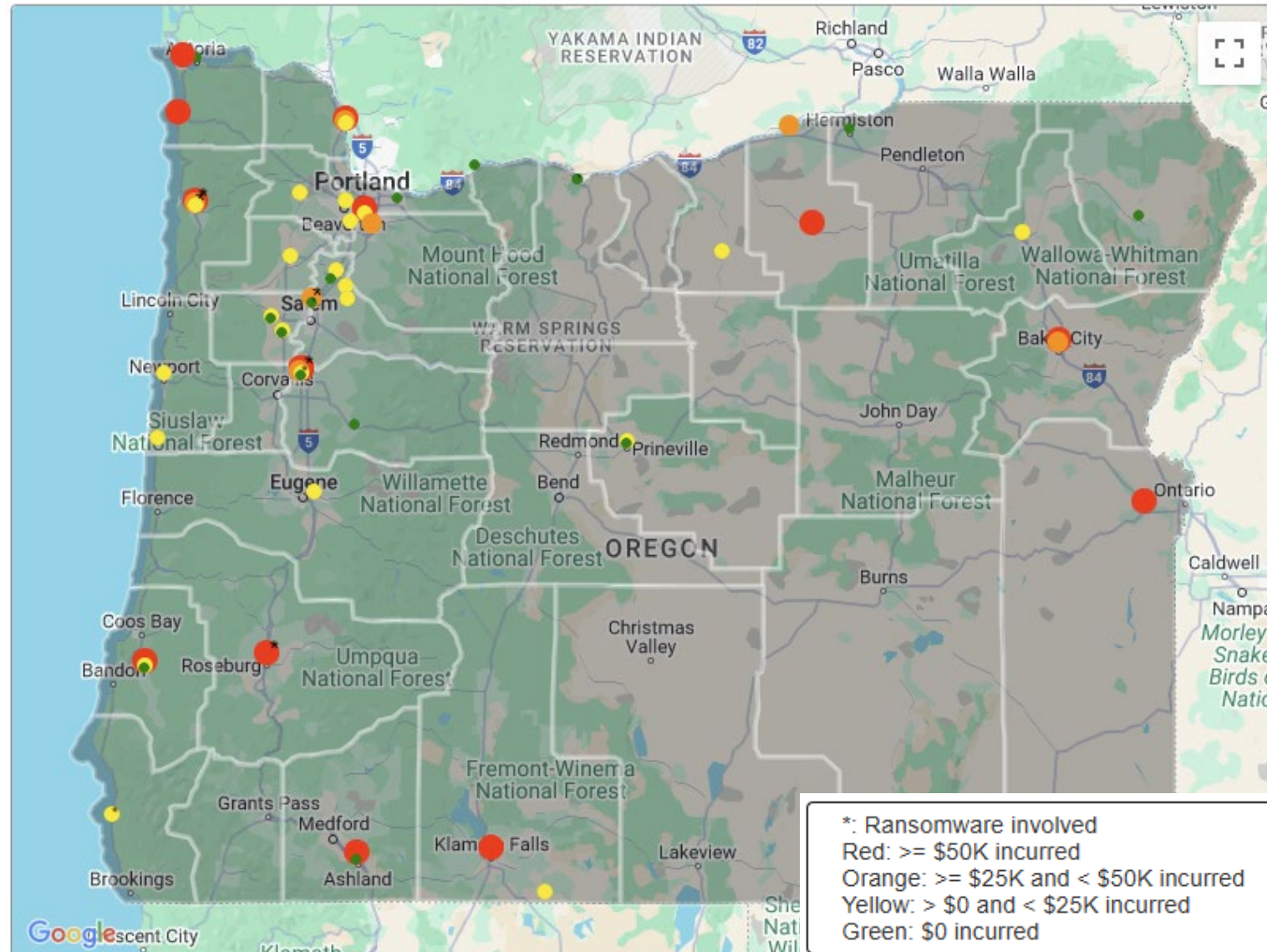
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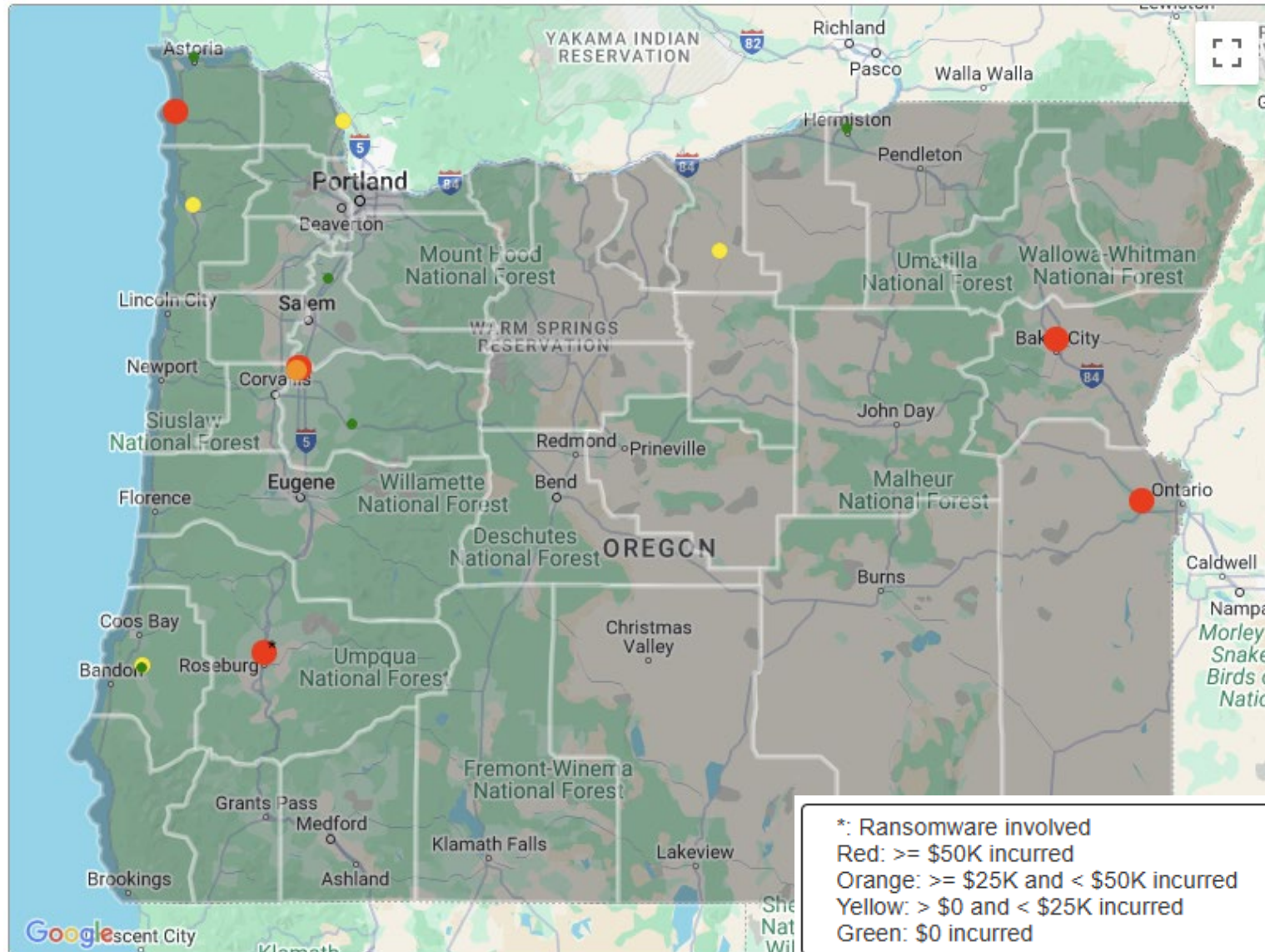


5 Year Cyber-Related Claims Map

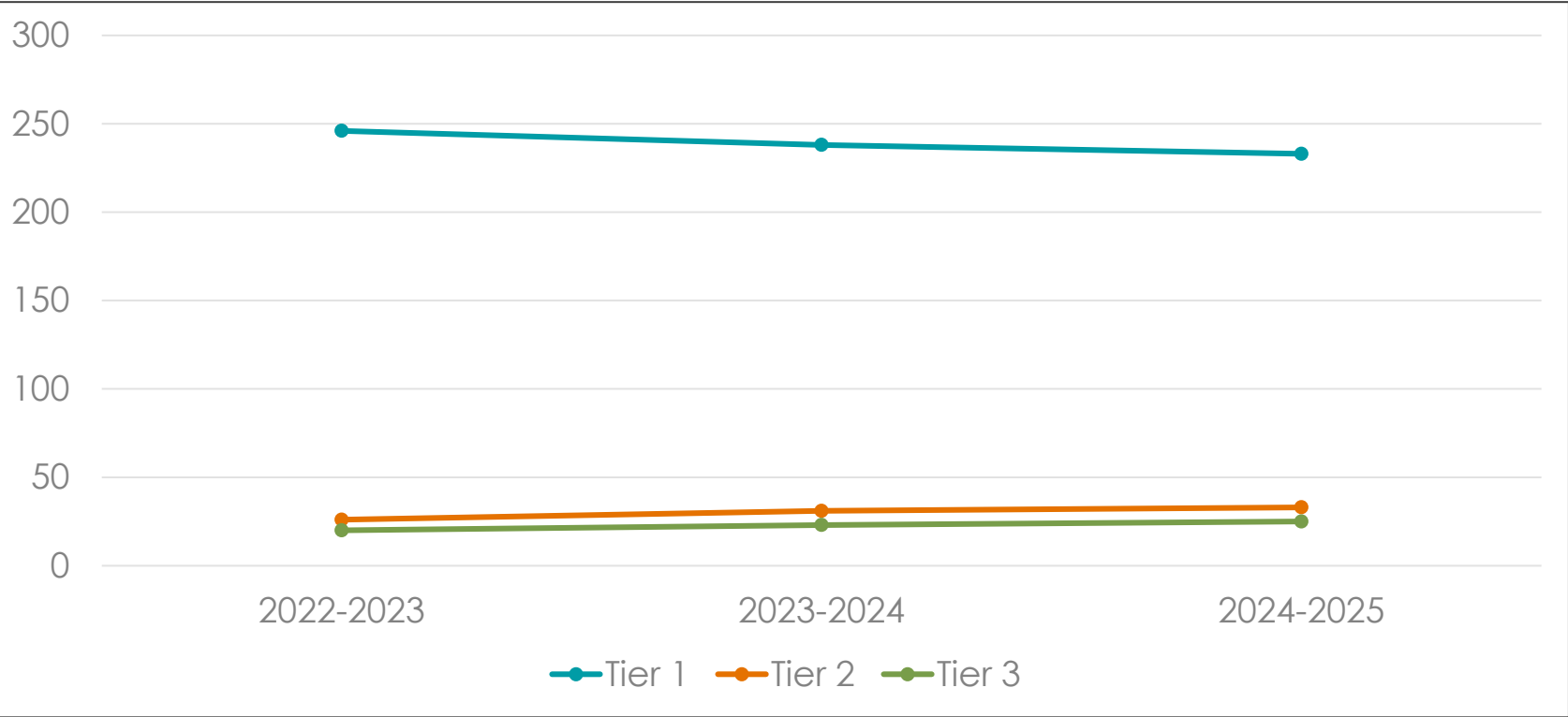


City & County Claims
since 7/1/2019

2 Year Cyber-Related Claims Map

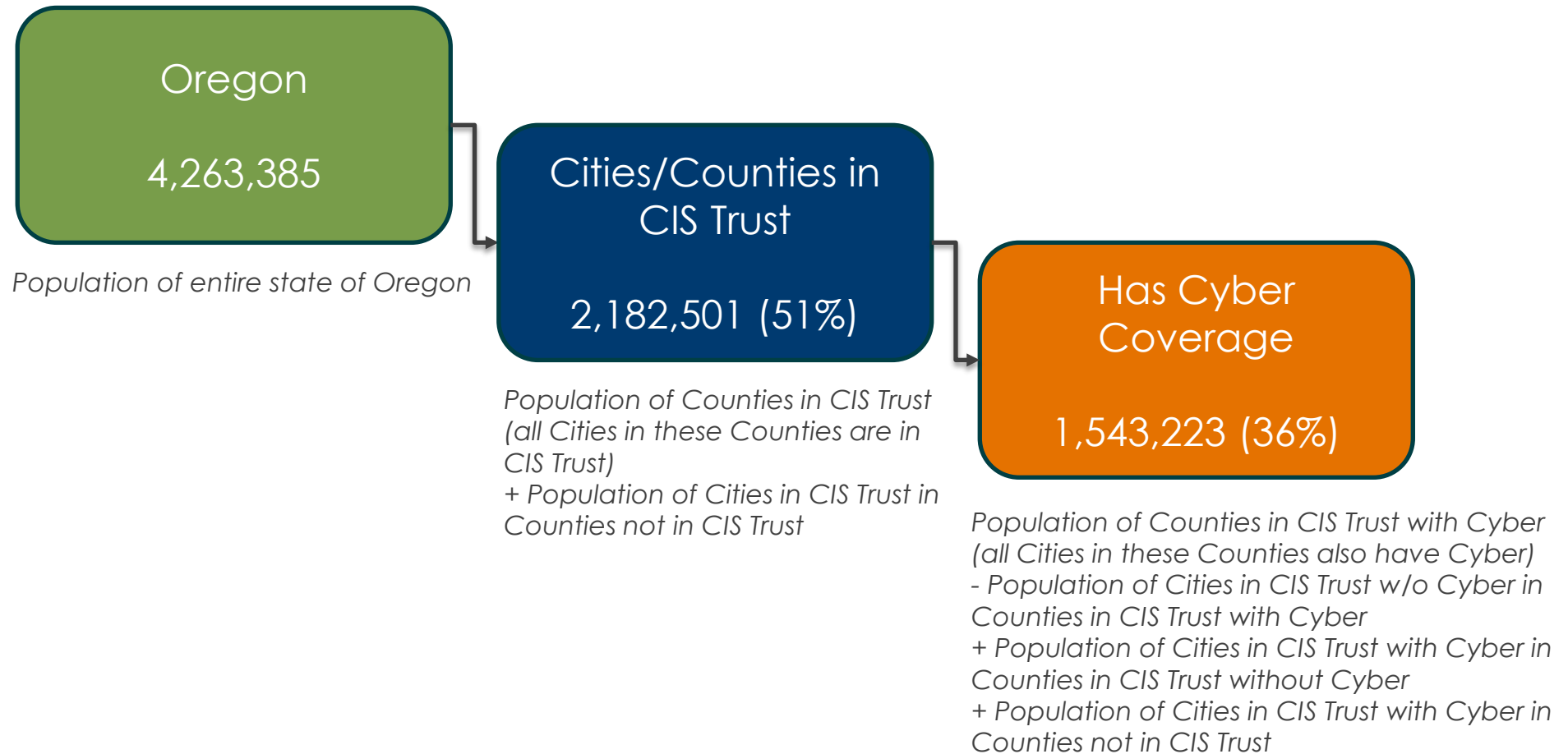


Cyber Coverage by Coverage Year



Coverage Year	2022-2023	2023-2024	2024-2025	2 Year Change
Tier 1	246	238	233	-13
Tier 2	26	31	33	+7
Tier 3	20	23	25	+5

Cyber Coverage for Oregon Cities & Counties



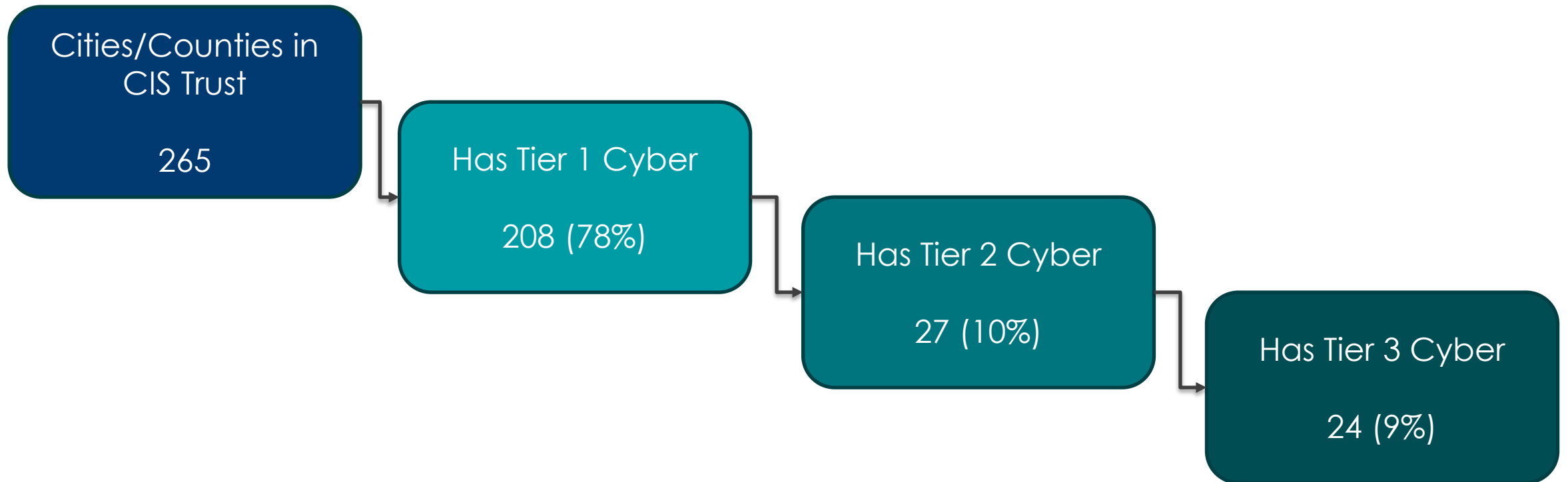
Value displayed is population

Percentage is of Oregon population

Population Source: PSU Population Research Center, 2024 Certified Population Estimates (7/1/2024)



Cyber Coverage for Cities & Counties in CIS Trust



Value displayed is count of Cities and Counties

Percentage is of Cities/Counties in CIS Trust count

Coverages for FY 2024-2025



How Can Public Entities Protect Against Cyber Risk?



Defining the Coverage Terms

- Business Interruption
- Cyber Extortion Loss (Ransomware)
- Data Recovery Costs
- Reputational Loss
- Data & Network Liability
- Regulatory Defense & Penalties
- Fraudulent Instruction
- Funds Transfer Fraud
- Telephone Fraud
- Breach Response

Current Coverage Tier Limits

CIS AGGREGATE:	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000
TIER 1	\$50,000	\$50,000	\$50,000	\$50,000
TIER 2	\$200,000	\$200,000	\$200,000	\$200,000
TIER 3	\$250,000	\$500,000	\$750,000	\$1,000,000
TOTAL	\$500,000	\$750,000	\$1,000,000	\$1,250,000
Cyber Extortion Loss (Ransomware)	\$500,000	\$750,000	\$1,000,000	\$1,250,000
Data Recovery Costs	\$500,000	\$750,000	\$1,000,000	\$1,250,000
Reputational Loss	\$500,000	\$750,000	\$1,000,000	\$1,250,000
Data & Network Liability	\$500,000	\$750,000	\$1,000,000	\$1,250,000
Regulatory Defense & Penalties	\$500,000	\$750,000	\$1,000,000	\$1,250,000
Fraudulent Instruction	\$250,000	\$250,000	\$250,000	\$250,000
Funds Transfer Fraud	\$250,000	\$250,000	\$250,000	\$250,000
Telephone Fraud	\$250,000	\$250,000	\$250,000	\$250,000
Breach Response	\$500,000	\$750,000	\$1,000,000	\$1,250,000
Deductible	\$5,000	\$5,000	\$5,000	\$5,000



Cyber Coverage Requirements

Tier 2 & Tier 3

- CIS Property Coverage
- Complete Application
- Cybersecurity Policy
- One immutable off-site backup
- Semi-annual Cybersecurity Training
- Minimum 250K CIS Excess Crime Coverage



What's changing for next year?

Cyber Coverage Requirements

Tier 2

- CIS Property Coverage
- Complete Application
- Cybersecurity Policy
- **MFA for remote access (Email, VPN, RDP, etc..)**
- One immutable off-site backup
- Semi-annual Cybersecurity Training
- Minimum 250K CIS Excess Crime Coverage



25-26 Cyber Coverage Tiers

- **Tier 1**

- Limit increased to 100K
- Static Rate
- No application

- **Tier 2**

- Limit increased to 2.1 M
- Static Rate
- MFA required

What CIS is doing to help?



What CIS is Doing to Help?

- Sample cybersecurity policy and consultation
- Free semi-annual cybersecurity training through [Learn.cisoregon.org](https://learn.cisoregon.org)
- 70K in grants



How can you help?

- More investment is needed
 - Cyber markets have softened
 - Coverage is attainable for most cities and counties
 - More investment is needed in cyber controls
 - Qualifying for higher limits remains a barrier

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