



# Oregon

## Joint Committee on Information Management & Technology

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# 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





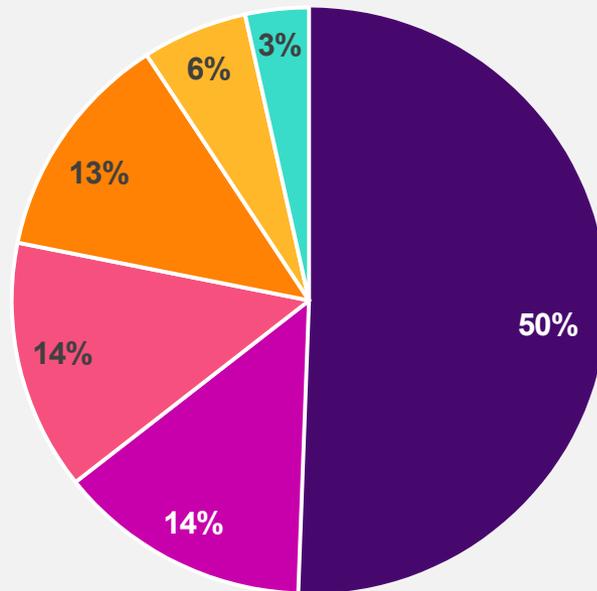
# WTW Proprietary Cyber Claims Data

## 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



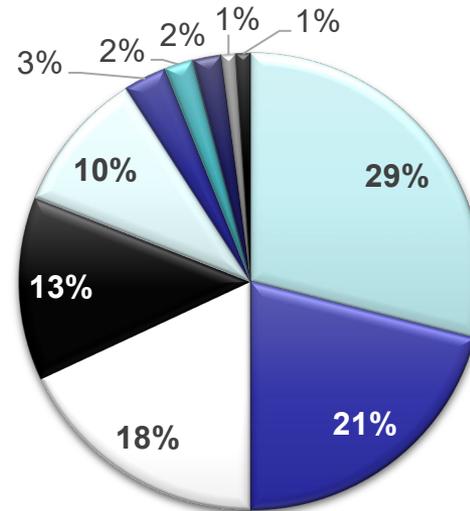
- Public administration
- Education
- Insurance & banking / FI
- Transportation
- Healthcare
- Other



# Public Entity Claims Data

## Source: WTW Data

### Public Entity Claims Data



- Malicious data breach
- Accidental data breach
- Social engineering
- Business disruption/system failure
- Rogue employee
- Ransomware
- Hacking damage
- Denial of service attacks
- Physical theft of data
- Other





# State of Oregon

- Currently state agencies absorb the costs of any cyber related event except for:
  - 3<sup>rd</sup> 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!**

