

Managing Risk in a Changing Environment: Insurance, Employment Practices, Cyber

WPPA FINANCE AND ADMINISTRATION SEMINAR

Eric Swagerty – Member Relations Representative



Your Voice Matters

Use your
Resource Passport

Ask questions throughout
this session.





Three Major Coverages

- Property
- Liability
- Cyber

First Principles – The Combined Ratio

$$\text{Combined Ratio} = \frac{\text{Incurred Losses} + \text{Expenses}}{\text{Earned Premiums}} \times 100$$

BREAKDOWN

Combined Ratio

=

Loss Ratio

Incurred Losses

Earned Premiums

+

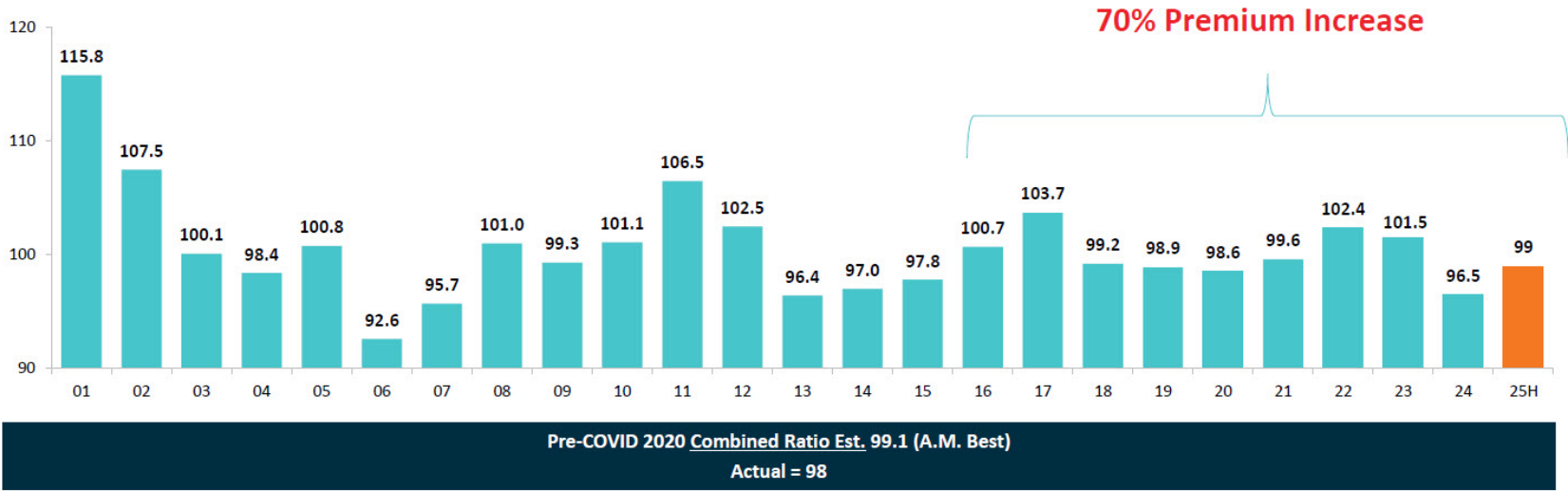
Expense Ratio

Expenses

Earned Premiums

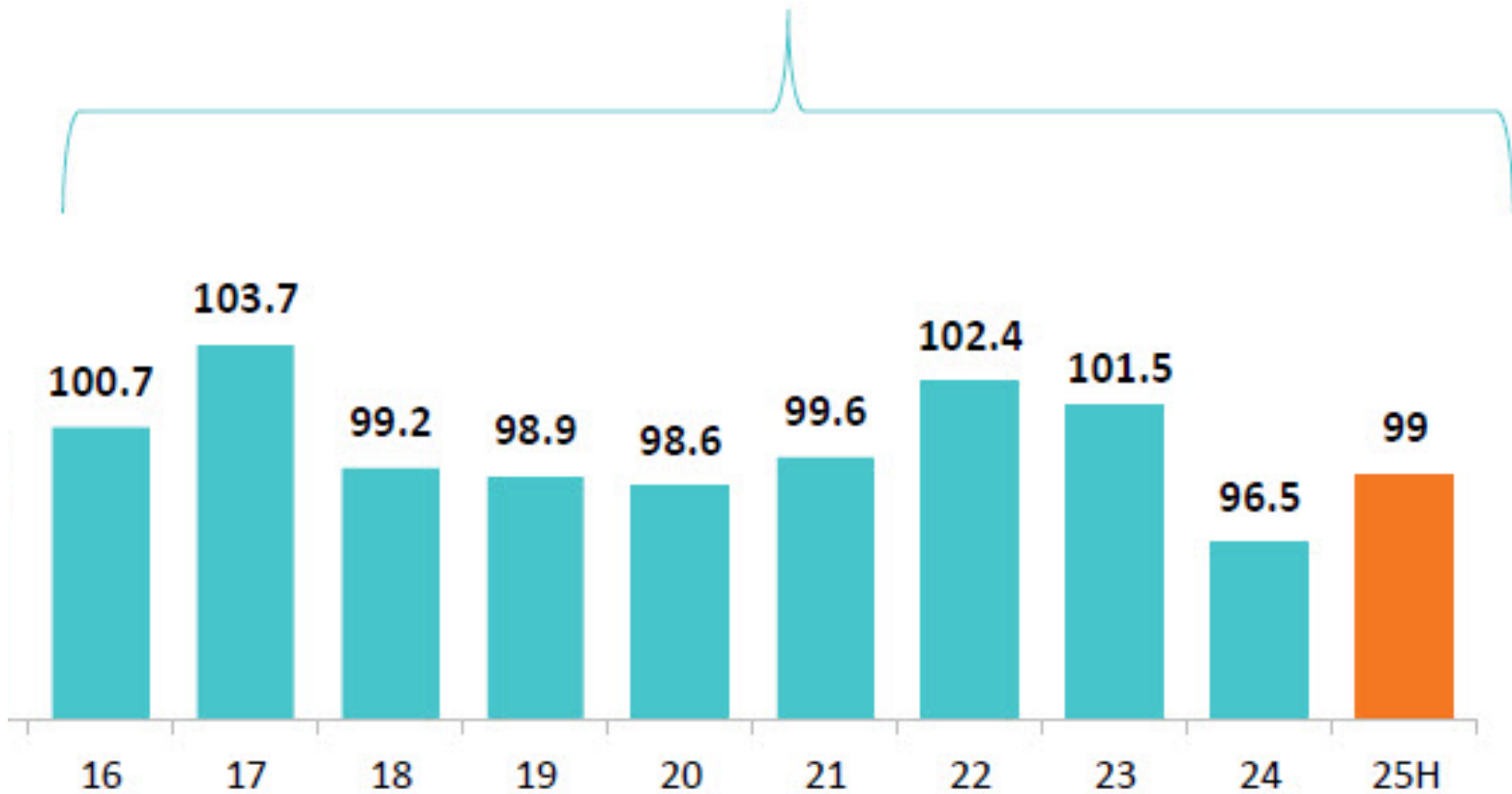
The combined ratio measures underwriting performance. A ratio below 100% indicates an underwriting profit; a ratio above 100% indicates an underwriting loss.

P/C Insurance Industry Combined Ratio, 2001–2025H*



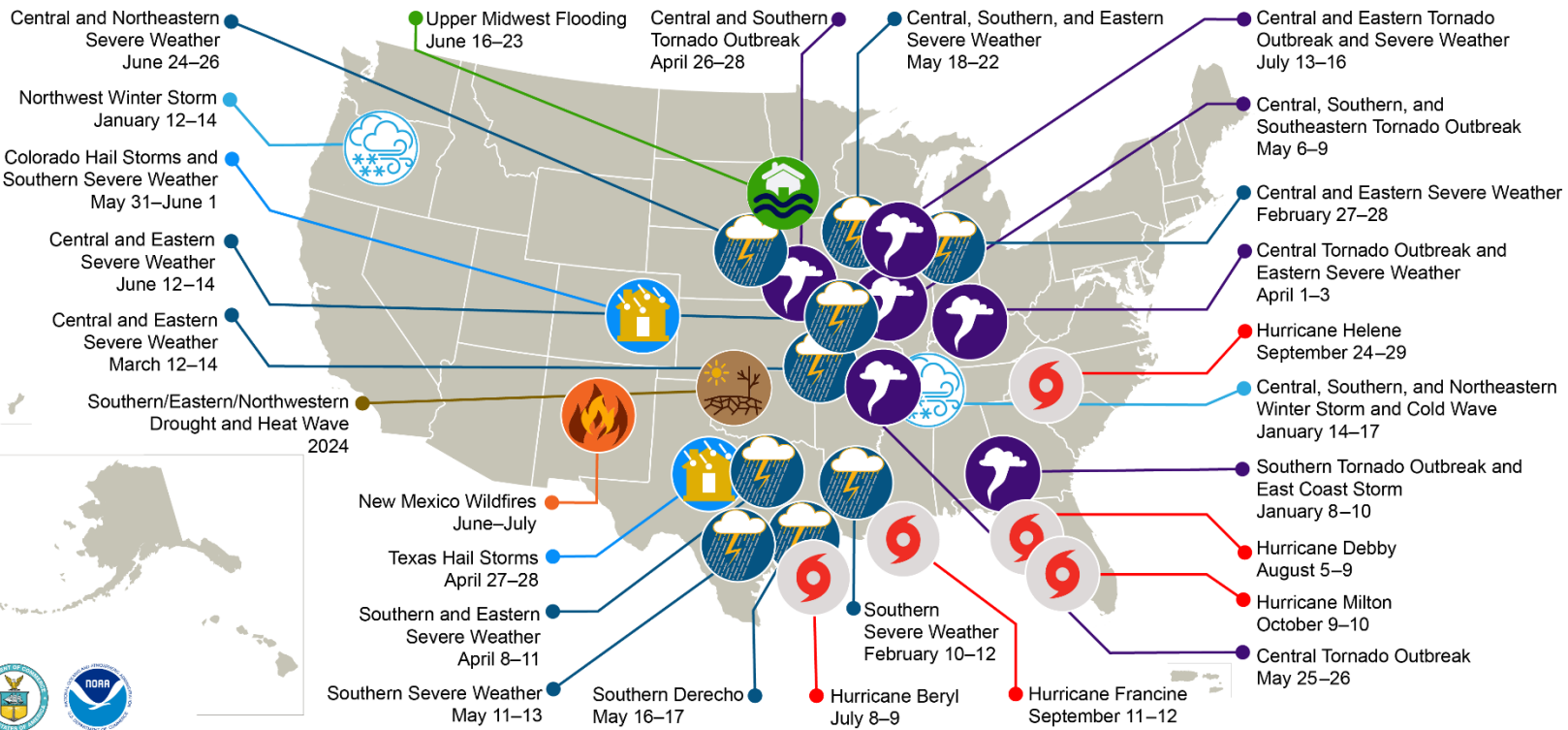
**Excludes Mortgage & Financial Guaranty insurers 2008–2014.
 Sources: A.M. Best, ISO (2014–2024F).

70% Premium Increase



U.S. 2024 Billion-Dollar Weather and Climate Disasters

Drought/Heat Wave
 Flooding
 Hail
 Severe Weather
 Tornado Outbreak
 Tropical Cyclone
 Wildfire
 Winter Storm/Cold Wave



This map denotes the approximate location for each of the 27 separate billion-dollar weather and climate disasters that impacted the United States in 2024.



U.S. 2024 Billion-Dollar



Drought/Heat Wave



Flooding



Hail



Severe Weather

Central and Northeastern
Severe Weather
June 24–26

Upper Midwest Flooding
June 16–23

Central
Tornado
April 26–

Northwest Winter Storm
January 12–14

Colorado Hail Storms and
Southern Severe Weather
May 24 – June 4



SR 906 wash out near Snoqualmie Pass



Green River Desimone Levee breach



Manson Park and Recreation Manson Bay Marina, Lake Chelan



ALLIANT RC ESTIMATOR

MORTENSON CONSTRUCTION COST INDEX – SEATTLE

40%

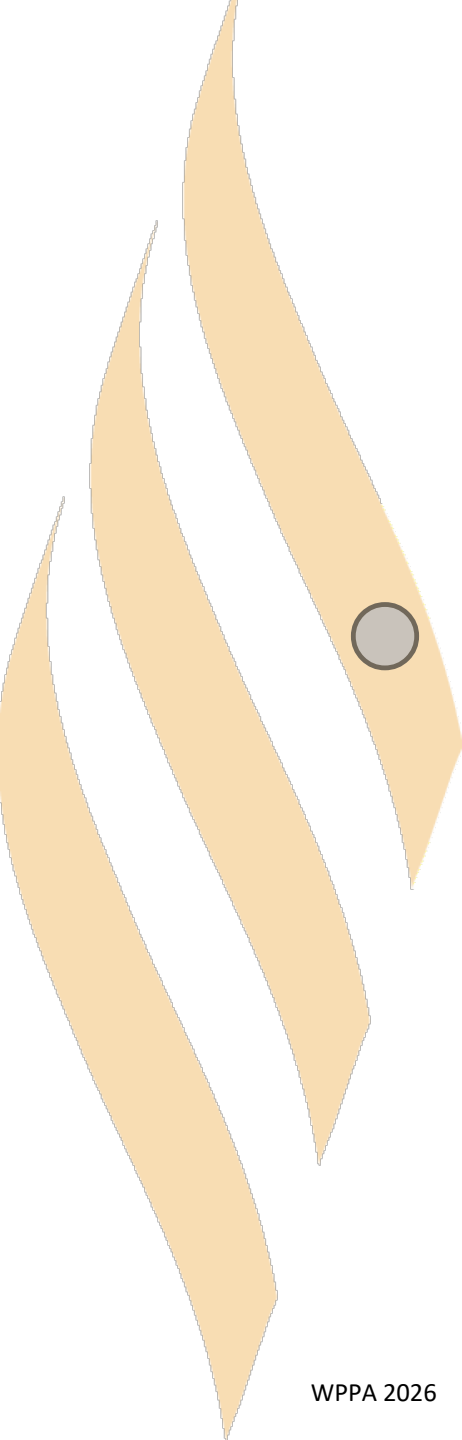
SINCE 2019

+49%

SINCE 2019

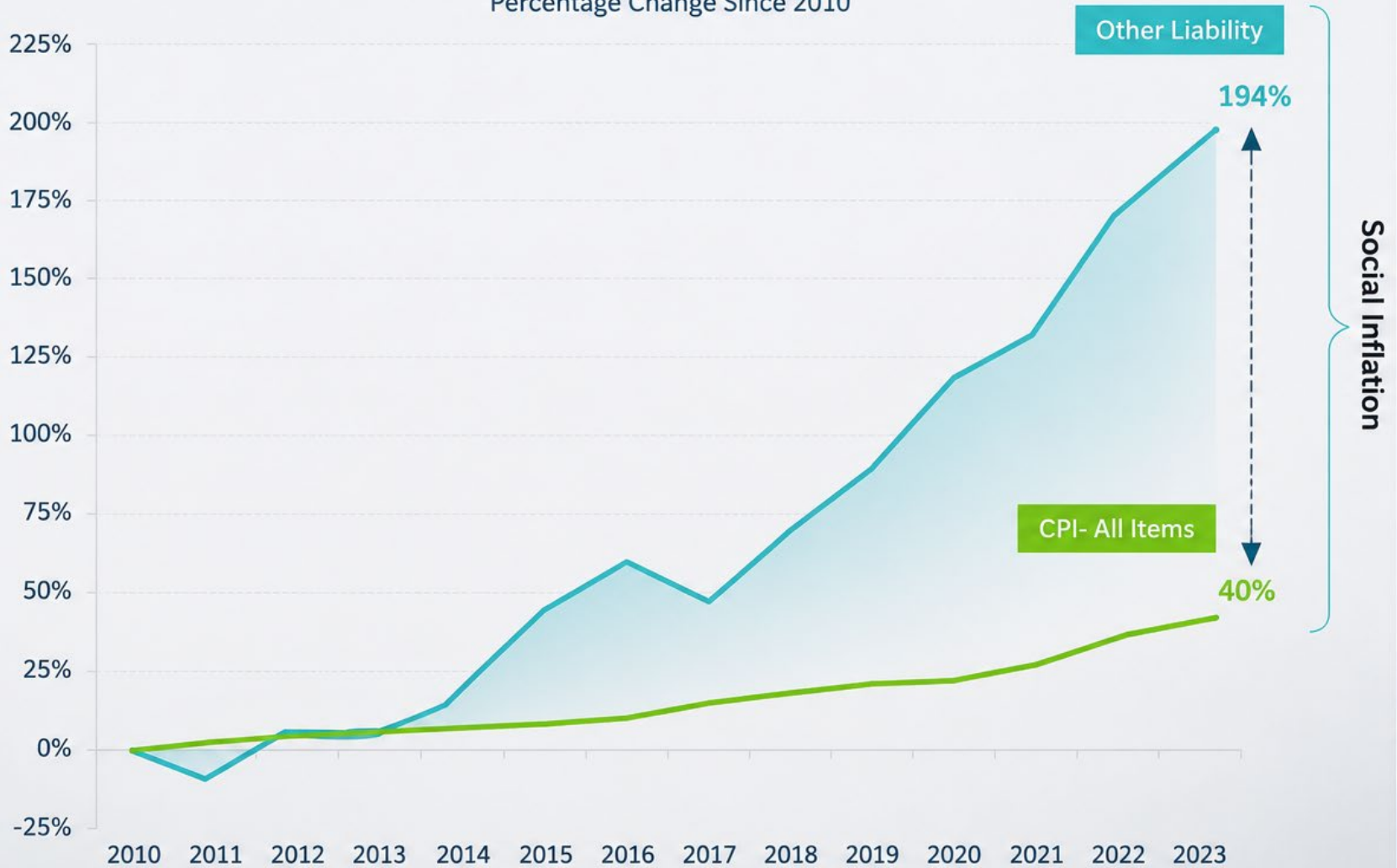
What can you do to flatten the cost curve? Where is the leverage?

- Lever 1 – Strategic asset placement
- Lever 2 – Vacant buildings
- Lever 3 – Hardening to prevent loss
- Lever 4 – Contracts and contract compliance
- Lever 5 – Quality Loss Runs
- Lever 6 – Strategic risk retention – deductibles, reserves



Liability

Insurance Losses vs. Consumer Price Index Inflation Percentage Change Since 2010



Source: APCIA via BLS Federal Reserve Economic Data and S&P Global Market Intelligence.

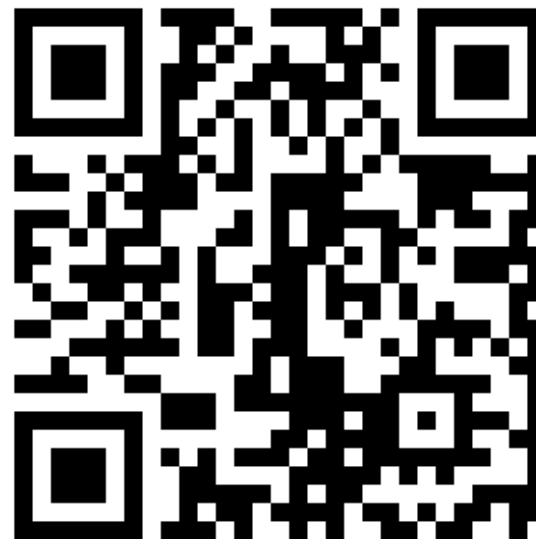


WASHINGTON

LIABILITY REFORM COALITION



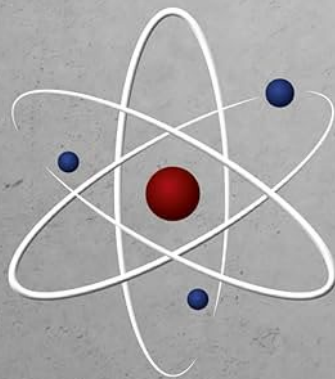
Washington Liability Home page



Press Release and Problem Statement

NUCLEAR VERDICTS

DEFENDING JUSTICE FOR ALL



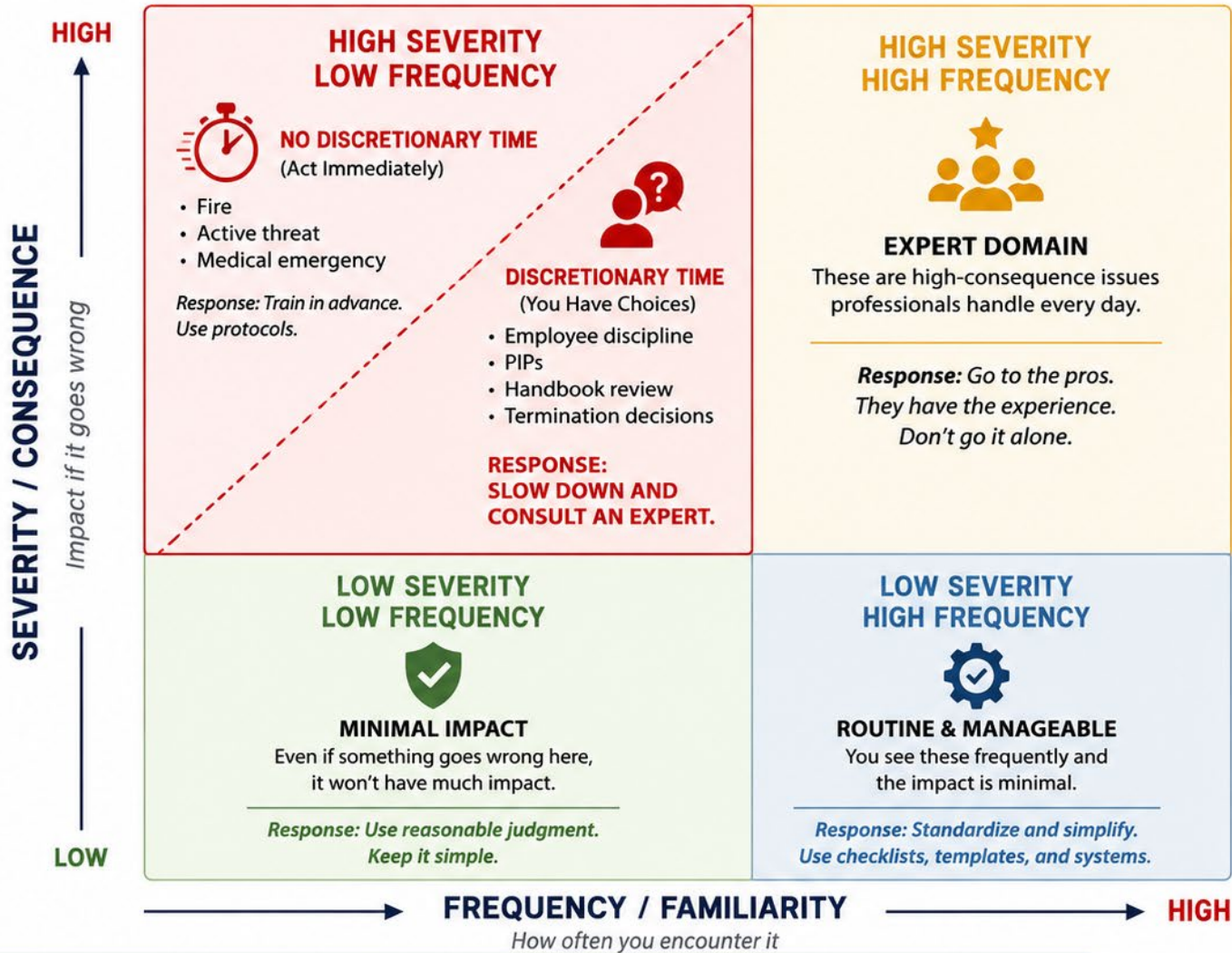
ROBERT F. TYSON, JR.

What can you do to flatten the cost curve? Where is the leverage?

- Lever 1 – Create a culture of accountability
- Lever 2 – Have Defined Policies
- Lever 3 – Train to those Policies
- Lever 4 – Documentation of Performance
- Lever 5 – Slow down, consult an expert

CLASSIFY THE RISKS

Use severity and frequency to determine your response.



WHY THIS MATTERS

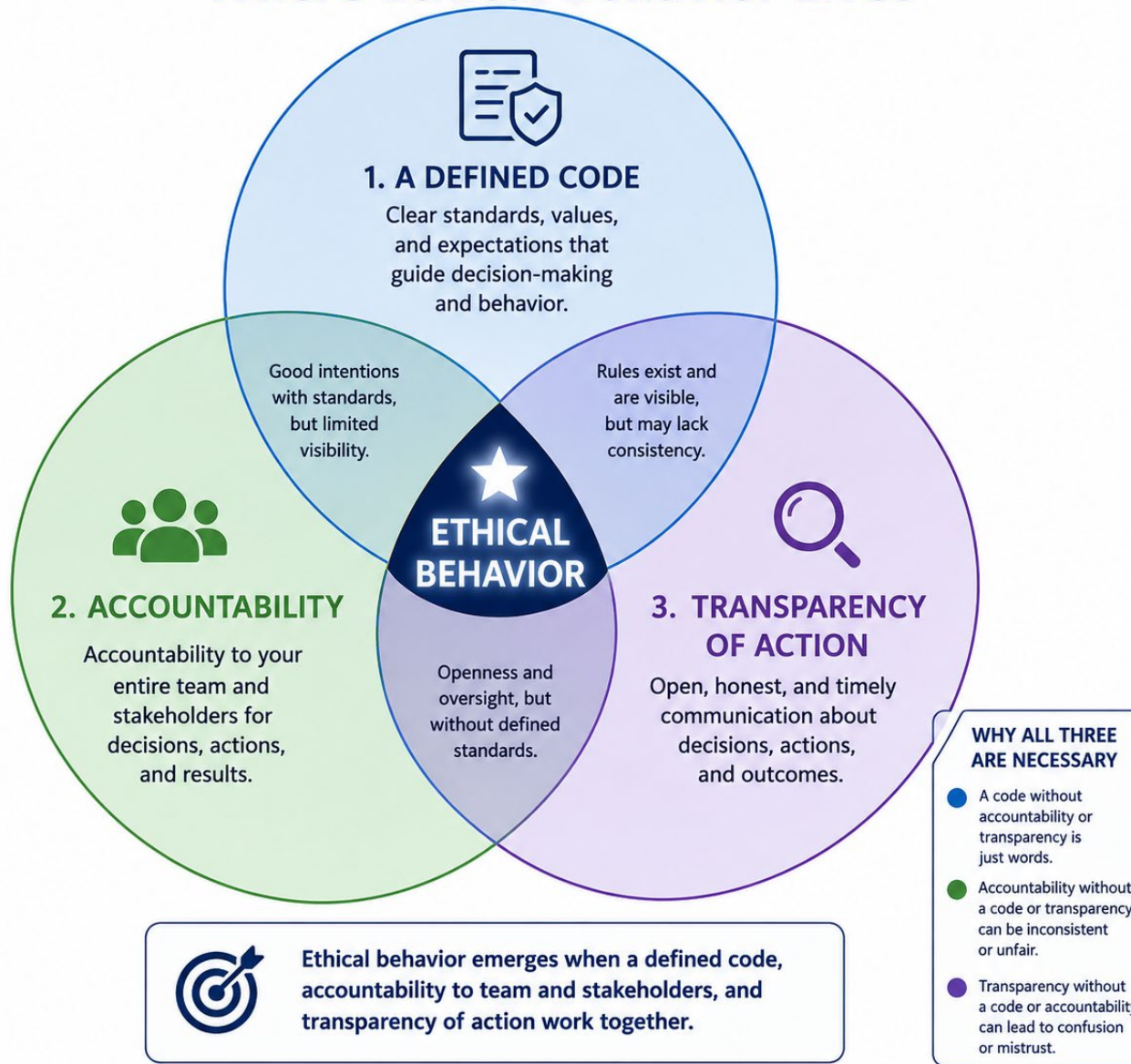
High risk doesn't always mean you act alone. **Time changes the equation.**

When the stakes are high and you have discretionary time, **ask for help.**

The right response protects your people, your organization, and your future.

WHEN RISK IS HIGH AND TIME ALLOWS, SLOW DOWN AND ASK FOR HELP.
Experts experience these situations far more frequently than you do.

Where Ethical Behavior Lives



Defined Code + Accountability + Transparency of Action = **Ethical Behavior**

Where Ethical Behavior Lives



1. A DEFINED CODE

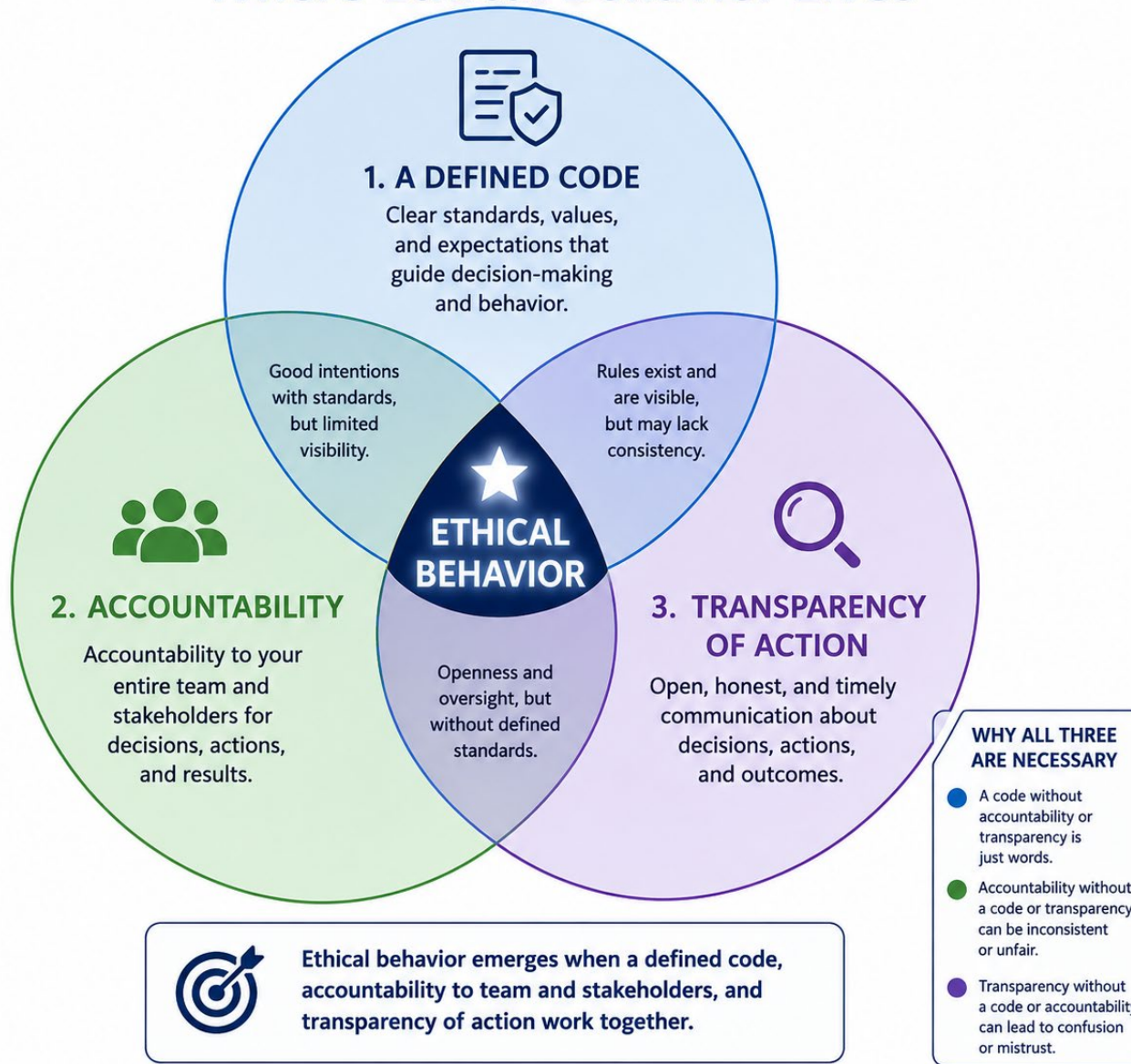
Clear standards, values,
and expectations that
guide decision-making
and behavior.

A guideline for a defined code:

*Imagine the place you want to go to work.
Write it down. Run it by the experts.*

- Your district's mission, vision, values documents
- Employee Handbook
- Sexual Harassment Prevention Policy
- Progressive Discipline Policy

Where Ethical Behavior Lives



Defined Code + Accountability + Transparency of Action = **Ethical Behavior**

Good intention
with standards
but limited
visibility.

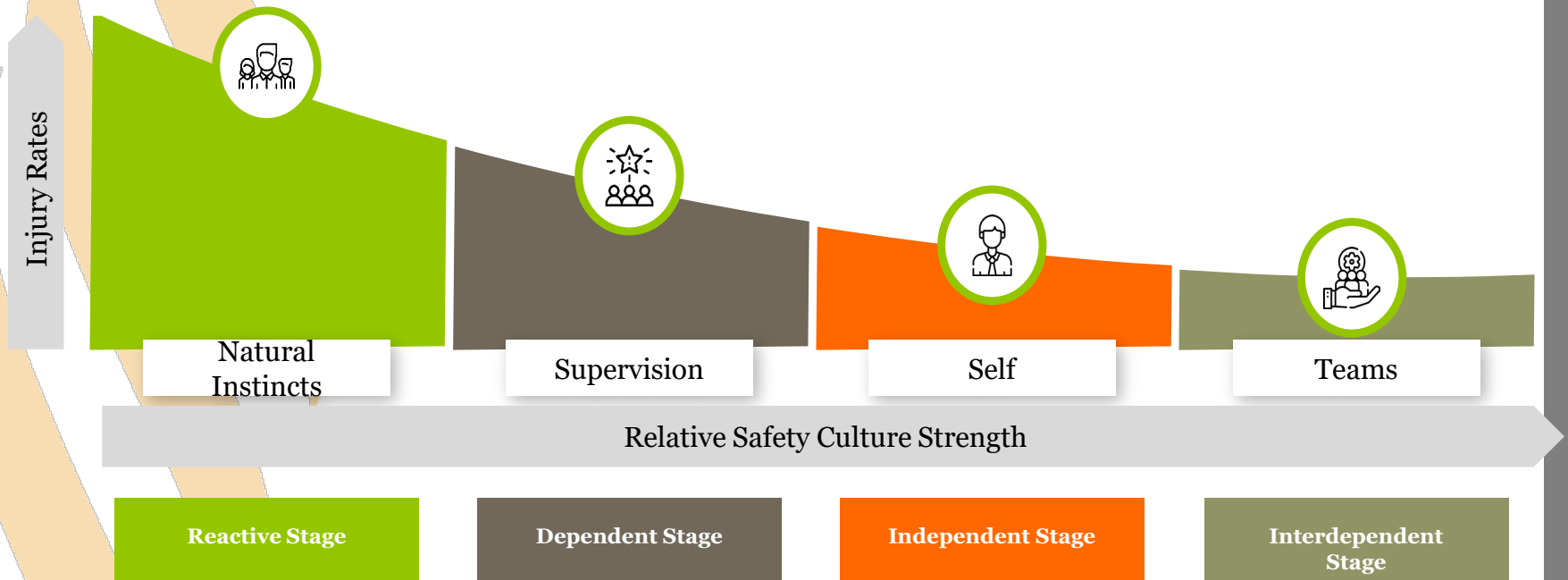


2. ACCOUNTABILITY

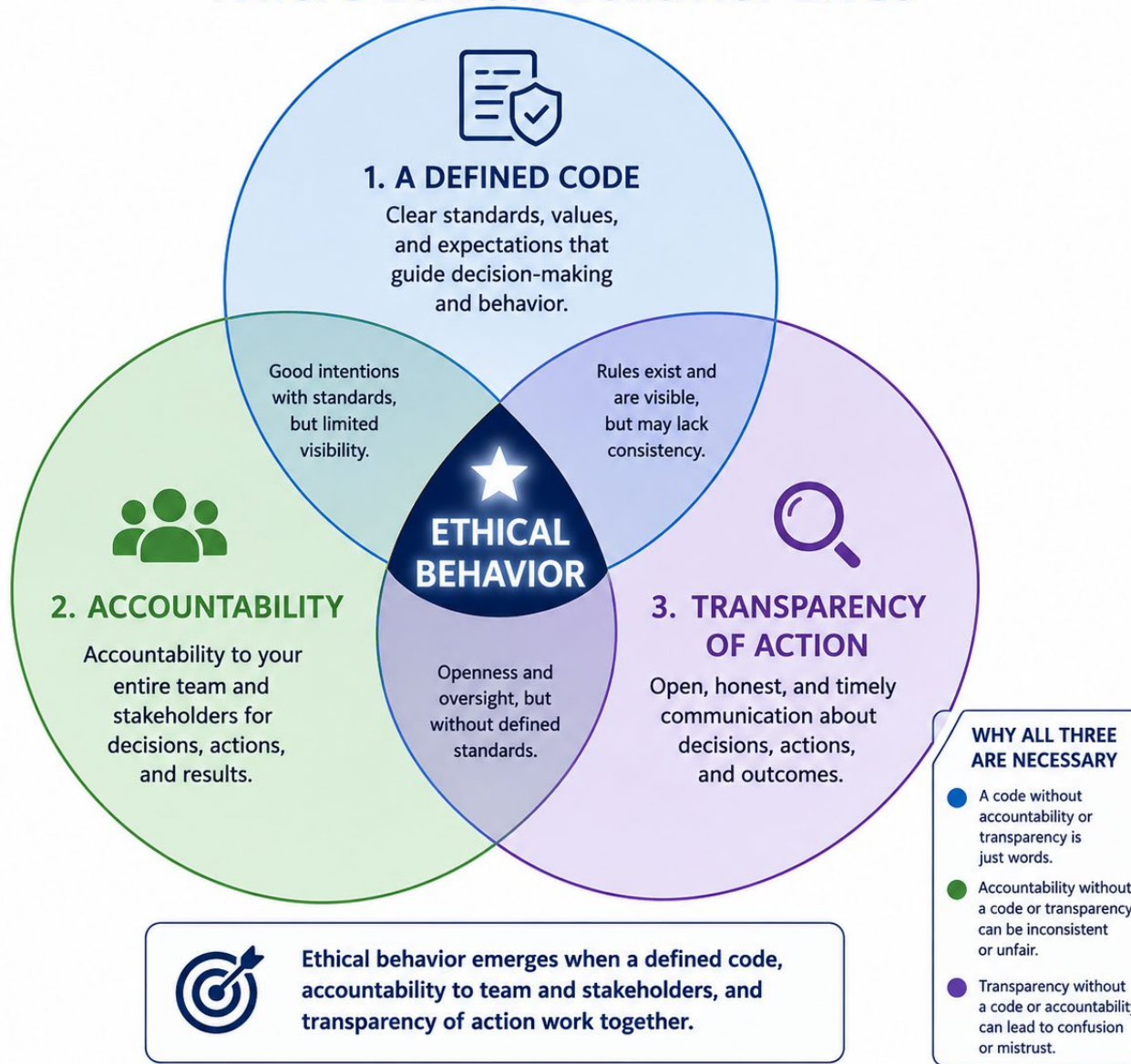
Accountability to your
entire team and
stakeholders for
decisions, actions,
and results.

Create a Culture of Accountability

The DuPont Bradley Curve



Where Ethical Behavior Lives



Defined Code + Accountability + Transparency of Action = **Ethical Behavior**



3. TRANSPARENCY OF ACTION

Open, honest, and timely communication about decisions, actions, and outcomes.

Transparency of Action:

- Clear and open communication
- Defined standards of behavior and decorum
- Practice, practice, practice

Radical Candor: Be a Kick-Ass Boss
without Losing Your Humanity



Manager Tools: The Basics



enduris[®]
WASHINGTON

SEMINARS

PREVENTION
IS KEY!



**ANNUAL
LABOR RELATIONS
INSTITUTE**



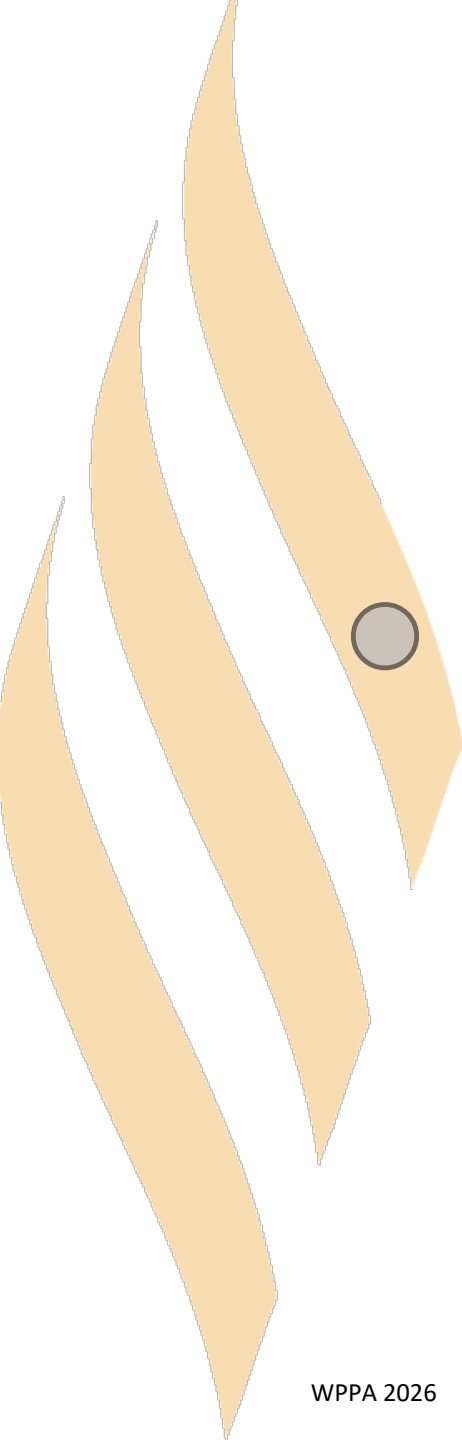


WHY ALL THREE ARE NECESSARY

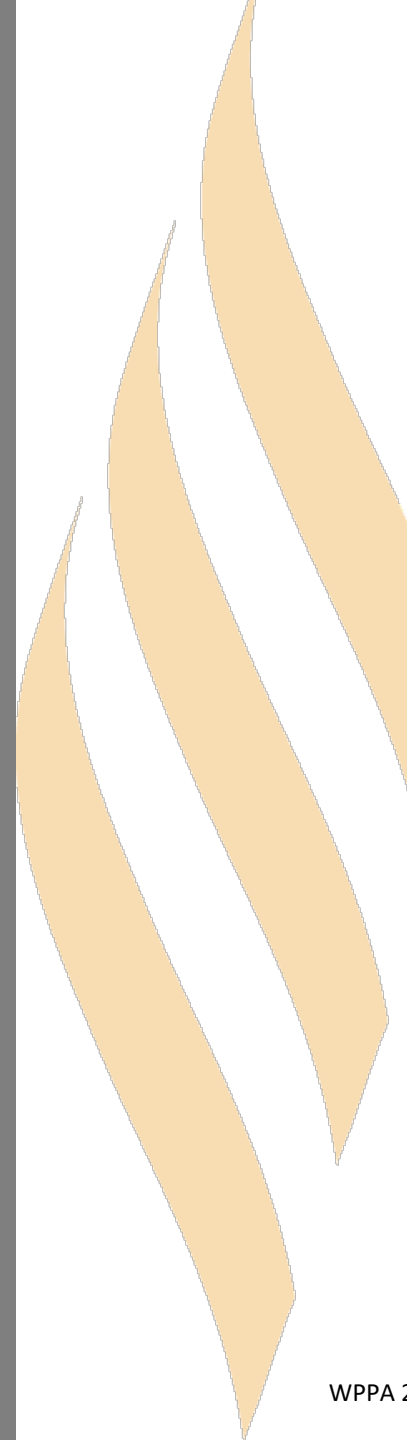
- A code without accountability or transparency is just words.
- Accountability without a code or transparency can be inconsistent or unfair.
- Transparency without a code or accountability can lead to confusion or mistrust.

What can you do to flatten the cost curve? Where is the leverage?

- Lever 1 – Create a culture of accountability
- Lever 2 – Have Defined Policies
- Lever 3 – Train to those Policies
- Lever 4 – Documentation of Performance
- Lever 5 – Slow down, consult an expert



Cyber



WPPA 2026



First 48 Hours After a Cyber Attack

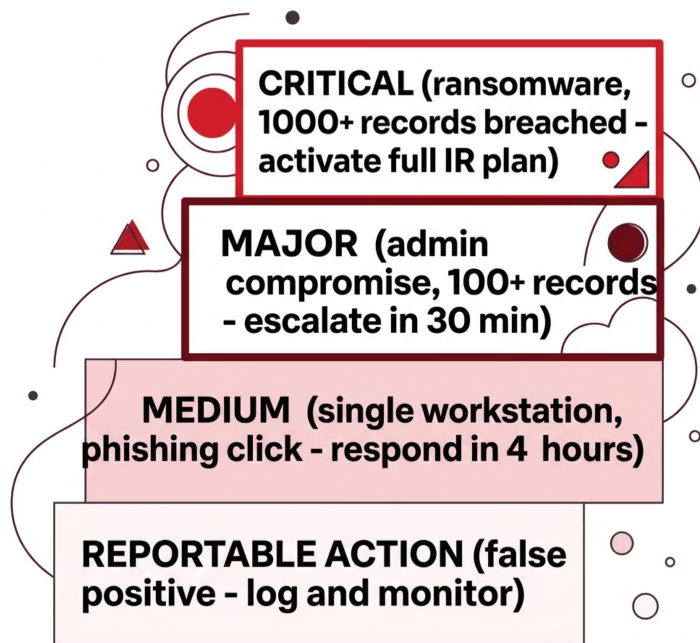
CONTAIN

ASSESS

RECOVER

REPORT

Hour 0–1: Assess Severity



Severity Drives Everything

- Critical or Major?
- Activate IR plan now
- Brief leadership
- Keep plan offline

Hour 1-4: Contain the Threat

Isolate

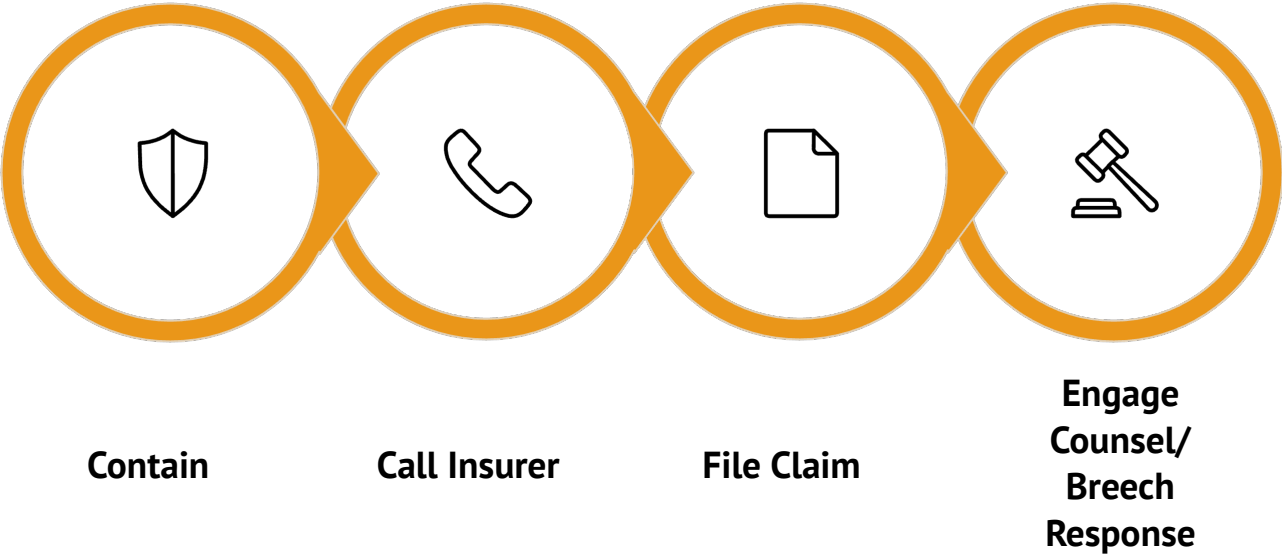
Disable

Block

Wipe



Hour 1-4: Call Your Cyber Insurance Provider



ACTION ITEM

Add Claim Reporting Instructions to the Incident Response Plan (IRP)



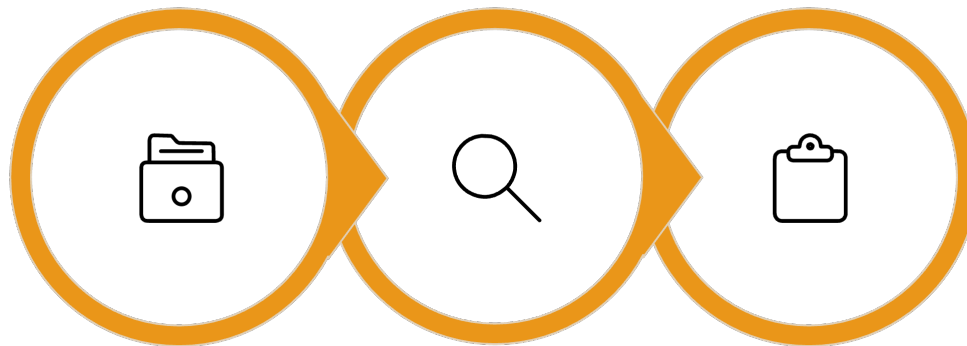
1 – Find your claim procedure & FNOL form

2 – Put it in your IRP

3 – Train those responsible for reporting

⚠ Resources are often available within your coverage. In a severe attack, minutes matter

Hours 4–12: Investigate & Preserve Evidence



Preserve

Analyze

Document

Hours 12–24: Eradicate & Begin Recovery



Eliminate Malware




Wipe & Rebuild



Restore from Backup



Patch & Harden

 Do NOT restore infected backups.

Hours 24–48: Communicate & Monitor

Internal

- Leadership
- Regulatory
- HR

External

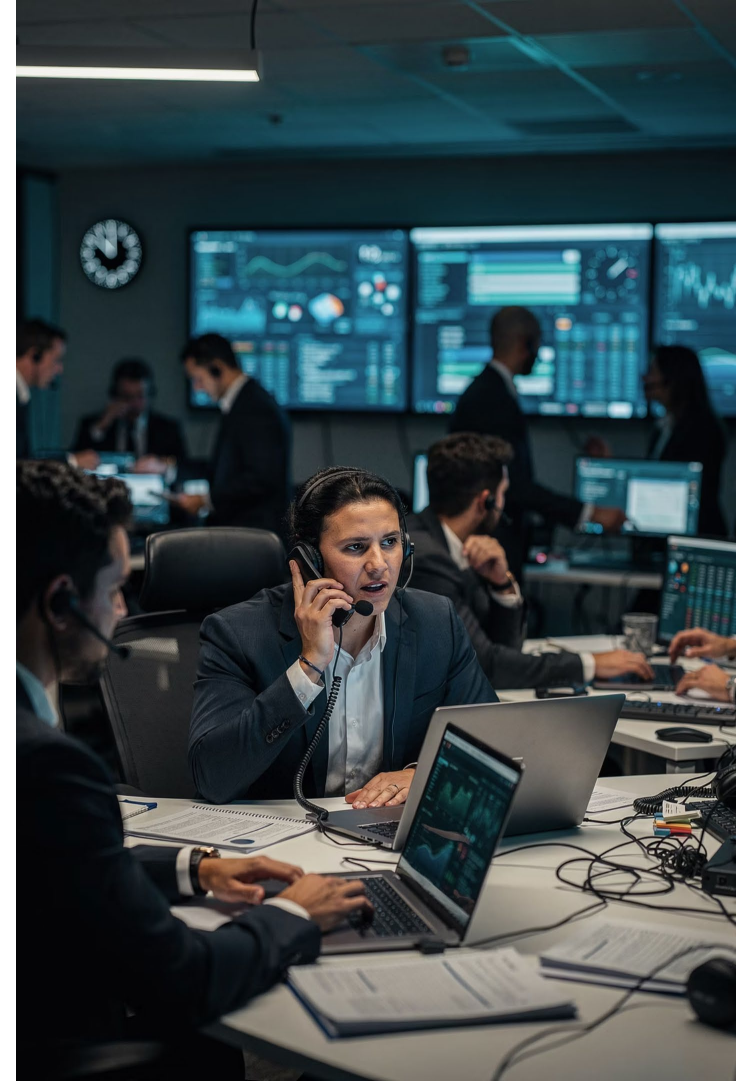
- Public
- Legal
- Law enforcement

Reconnection Criteria

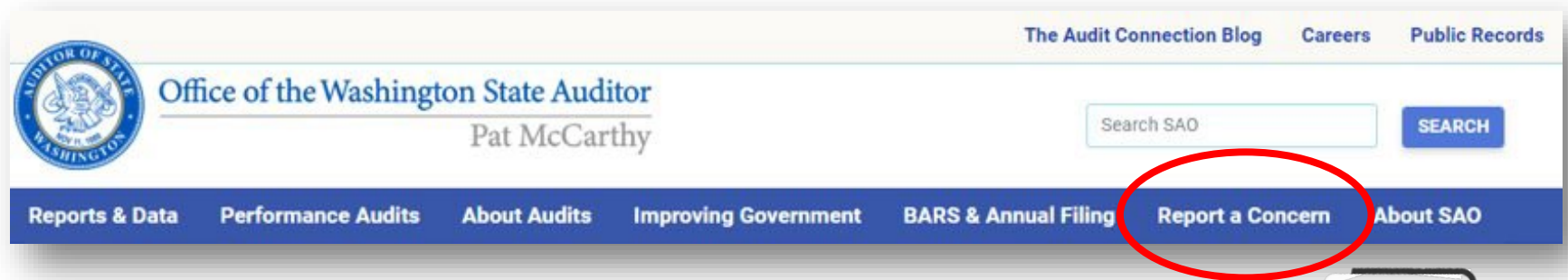
72 Hours Clean

EDR Healthy

Patches Validated



Report cyber losses on SAO's website



- Scan the QR code to learn more about the updated RCW 43.09.185 policy





Scan to Register

Build Your Own Cyber Incident Response Plan

Free Training – You're Invited!

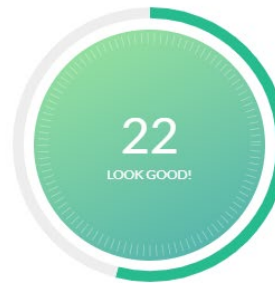
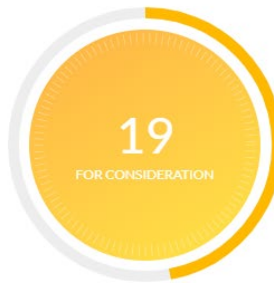
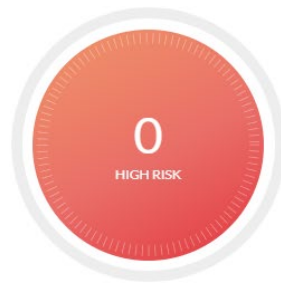


KYND

&

enduris™
WASHINGTON

Your cyber risk summary



[View risk report](#)

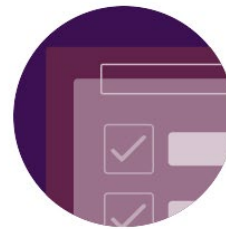


Your priorities

These are the cyber risks usually considered by others when making decisions about your organization.

[See your priorities](#)

▲ There are 6 advisable issues to be resolved



Your internal security

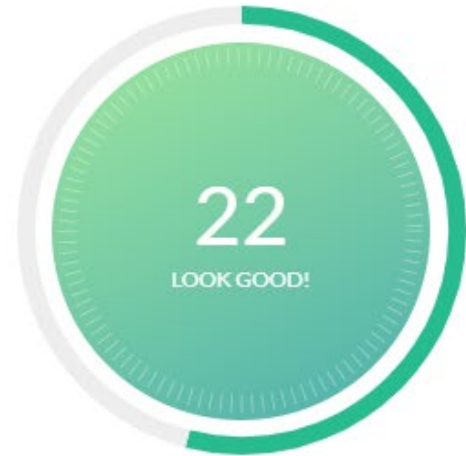
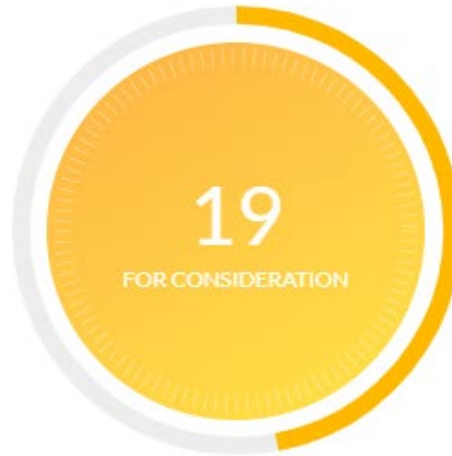
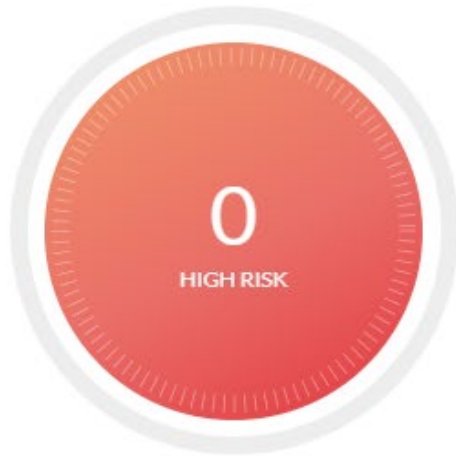
Review your internal security practices to make sure you are always resilient against cyber attacks.

[Manage your risk posture](#)

▲ There are questions you need to answer



Your cyber risk summary



[View risk report](#)



Your priorities

These are the cyber risks usually considered by others when making decisions about your organization.

[See your priorities](#)



Your internal security

Review your internal security practices to make sure you are always resilient against cyber attacks.

[Manage your risk posture](#)



 There are 6 advisable issues to be resolved

 There are questions you need to answer

Enroll with KYND

Get started in a single step — just reach out.

Enduris@KYND.io

Cyber incident response workshop

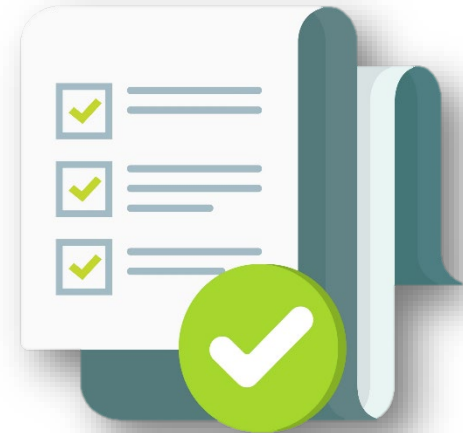
- Evaluate key decisions to customize a plan
- Develop strategies for attack scenarios
- Create a response checklist
- Produce a reporting template

Email: center@soa.wa.gov



Goals of an incident response plan

- Make the critical decisions before an incident occurs, and without urgency
- Assign roles early so they can be learned and internalized
- Walk through example scenarios so you can be ready for the real thing



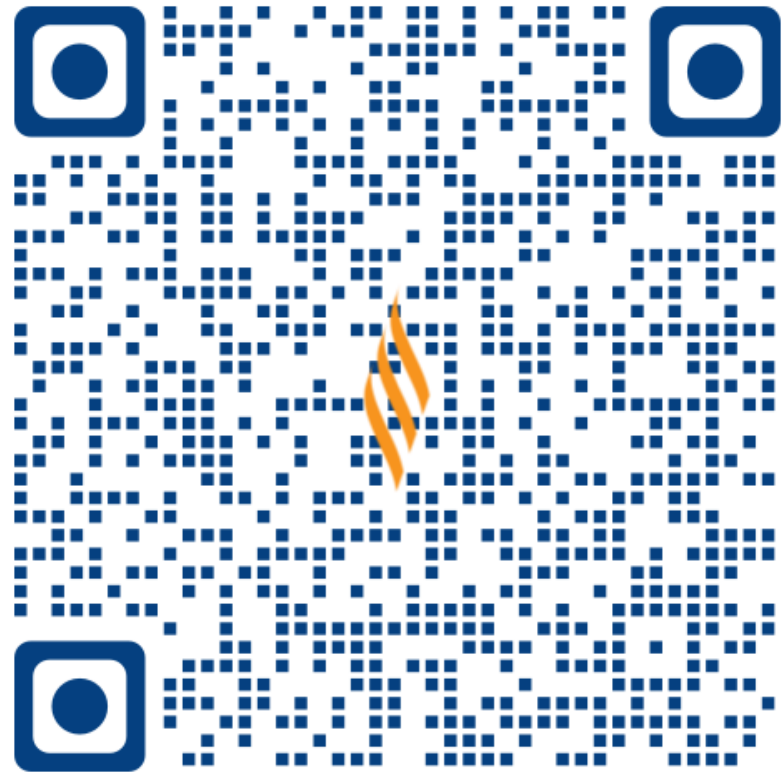
SAO offers free Cyber checkups

What is a Cyber checkup?

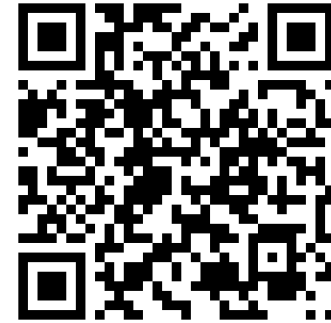
- A free, 20-point inspection to diagnose cybersecurity gaps and common vulnerabilities
- Uses Center for Internet Security's Critical Security Controls, Version 8.1
- Recommendations on how to address identified gaps



Schedule a Cyber Check-Up



SAO resources





Eric Swagerty

Member Relations Representative

MemberRelations@enduris.us

(800) 462-8418