DERISK UWA · CUO / PORTFOLIO · PREMIUM INDICATION

Premium Indication & Program Structure

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Applicant: Aldermere Energy **Assessment date:** 2026-06-30 **Report generated:** 2026-11-05

Submission: Insurer questionnaire (116 items) plus three supporting audit documents

Classification: Sample report

The indicated premium, the credits that move it, and what the exposure means for the shape of the program.

UNDERWRITING VERDICT

Quote with Conditions

18 conditions precedent · four void the policy ab initio if unmet

MODEL CONFIDENCE

0.78

High — IT and OT evidence weighed separately

INDICATIVE PREMIUM

USD 3.5M

Range USD 2.85M–4.2M · ~0.25% of revenue

I · PREMIUM INDICATION

COMPONENT	VALUE
Base premium factor	2.1 (HIGH risk profile)
Risk adjustment	× 1.35
Conditions credit	× 0.75
Indicative annual premium range	**USD 2,850,000 – 4,200,000**
Midpoint	USD 3,500,000 (≈ 0.25% of annual revenue)
Modelled expected annual loss	USD 3,370,000 before conditions precedent credits

Mitigation credits

MEASURE	VALUE
Maximum premium credit on full conditions precedent compliance	63% of premium
Estimated total implementation cost to the insured	USD 1,570,000
Annual premium reduction on full compliance	USD 2,210,000
Ongoing requirements	Quarterly compliance certification · annual third-party security assessment

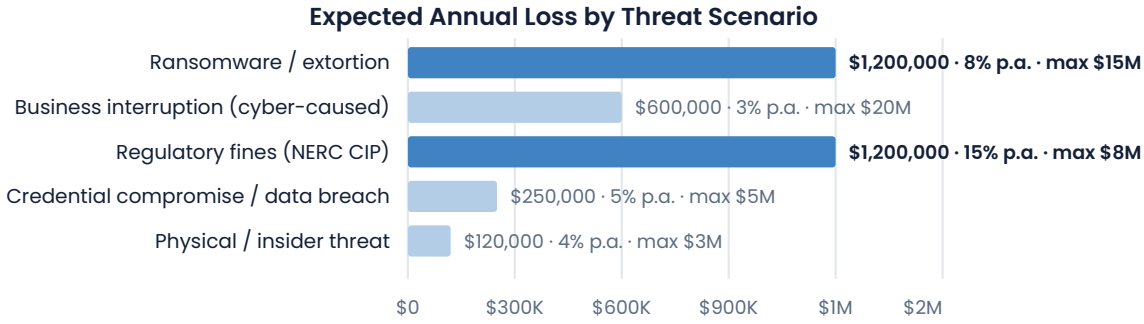
The binding decision is contingent on 18 conditions precedent with specific deadlines and impact-if-unmet provisions. Four conditions carry policy-void-ab-initio consequences. Quarterly compliance certification and an annual third-party security assessment are required throughout the policy period. Mitigation credits of up to 63% of premium are available upon full conditions precedent compliance, yielding an estimated total implementation cost of USD 1.57M against USD 2.21M in annual premium reduction.

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II · PROGRAM CONSIDERATIONS

The scale of exposure sets the shape of the program: a $13.06M/hour revenue loss means a two-hour OT outage exceeds the recommended business interruption deductible, and a $16.23B equipment replacement value makes the hardware-damage scenario the limit-sizing anchor. Four policy-voiding conditions and three active NERC CIP violations (PNC-01, PNC-02, PNC-03, all High VRF) argue for a short first binding period with a mid-term review at the WECC NERC CIP audit in Q1 2027.

Exposure by threat scenario



THREAT SCENARIO	ANNUAL PROBABILITY	MAX EXPOSURE (USD)	EXPECTED LOSS (USD)	PRIMARY DRIVER
Ransomware / extortion	8%	$15,000,000	$1,200,000	Unpatched vulnerabilities; default credentials; no OT zone firewall rules
Business interruption (cyber-caused)	3%	$20,000,000	$600,000	$13.06M/hour revenue exposure; DCS recovery untested since 2022
Regulatory fines (NERC CIP)	15%	$8,000,000	$1,200,000	3 active PNCs with High VRF; WECC audit scheduled Q1 2027
Credential compromise / data breach	5%	$5,000,000	$250,000	Default passwords not changed; shared accounts; <6-month log retention
Physical / insider threat	4%	$3,000,000	$120,000	Unlocked telemetry building; non-functional motion detection; no security guards

Probability and exposure estimates are indicative, derived from the OT risk assessment and supporting audit evidence. The highest expected loss drivers are ransomware/extortion and regulatory fines, each at USD 1.2M annually. The $13.06M/hour revenue exposure means even a 2-hour OT outage exceeds the recommended business interruption deductible. Total modelled expected annual loss is approximately USD 3.37M before conditions precedent credits.

The structured program — limits, sublimits, deductibles and endorsements by coverage line — is produced on the Professional tier.

III · RISK PROFILE

TIER 3 — HIGH RISK. Overall OT risk score: 6.8 / 10. NIST CSF Protect maturity: 0.65. IEC 62443 SL2 compliance: 0.68. IEC 62443 SL3 compliance: 0.52.

Aldermere Energy is classified as **HIGH** risk (overall score 6.8/10). The organization demonstrates mature foundational controls — IT/OT Active Directory separation, DMZ architecture, application-layer (OSI Layer-7) ingress/egress filtering, MFA-enforced VPN remote access, jump-host architecture, dedicated ICS/OT incident response plan, and 6–24 hour detection/containment windows. However, critical operational gaps materially elevate the risk profile: administrative credentials are not separated from day-to-day credentials; default

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passwords have not been changed across 14,000 assets; bi-directional firewall rules between OT zones are absent; physical access points are undocumented; and NERC CIP audit evidence reveals 97-day patch delays, 3–5 day access revocation delays, and DCS configuration baselines not updated within the 30-day requirement. These gaps are remediable within 90 days under the conditions precedent framework.

I.3 Key Risk Indicators

INDICATOR	STATUS	EVIDENCE SOURCE	RISK IMPACT
Admin/privileged credential separation	Critical Gap	Q2, Q60; NERC CIP audit (6 shared DCS accounts, 15+ month password age)	Privilege escalation across 35 personnel and 14,000 assets
Default password remediation	Critical Gap	Q23, Q81	Immediate unauthorized access risk across entire OT environment
Bi-directional OT zone firewall rules	Critical Gap	Q25, Q83	No lateral movement containment; full OT network blast radius
Physical access point documentation	Critical Gap	Q27, Q85; 2022 third-party assessment (unlocked telemetry building, non-functional motion detection)	Rogue/undocumented access points may exist undetected
Security patch evaluation cycle	High Gap	NERC CIP audit PNC-01 (97-day delay vs. 35-day requirement)	Exploitable vulnerability window; CIP-007-6 R2 violation
ICS/OT logging coverage	High Gap	Q55 (70% enabled), Q56 (75% centrally forwarded)	4,200 assets with no logging; 3,500 assets with local-only logs
Remote access security	Adequate	Q37, Q38, Q40, Q44, Q57	VPN + MFA + jump host + session management in place
Network segmentation / DMZ	Adequate	Q8, Q9, Q21, Q35, Q39	Layer-7 filtering; DMZ enforced; no bypass permitted

IV · CONCLUSION & RISK OPINION

Final professional judgment

Aldermere Energy presents an insurable risk profile at the HIGH tier, supported by mature foundational OT security controls that are partially offset by critical operational gaps in credential management, network segmentation, physical security, and regulatory compliance. The organization's scale ($16.23B equipment value, $13.06M/hour revenue exposure, 14,000 OT assets) and active NERC CIP violations create elevated but quantifiable risk. The recommended Quote with Conditions decision is appropriate provided the four policy-voiding conditions are met within 30–45 days and all 18 conditions precedent are satisfied within their respective deadlines.

Acceptability assessment

ACCEPTABLE WITH CONDITIONS. Risk is insurable at the recommended premium range of USD 2,850,000–4,200,000 annually (indicative) subject to 18 conditions precedent, quarterly compliance certification, and annual third-party security assessment. Policy void ab initio if any of the four CRITICAL conditions are not met by their deadlines. Senior underwriting review and written explanation of questionnaire-audit contradictions required before binding.

This evaluation was generated fresh for this run (both OT risk evaluation and UW policy evaluation). The confidence score of 0.78 reflects high confidence in findings with explicit questionnaire evidence and supporting audit documentation, partially offset by material contradictions between self-reported questionnaire responses and third-party audit evidence. Third-party validation of all material representations

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is recommended prior to binding. The next scheduled review point is the WECC NERC CIP audit (Q1 2027), which should trigger a mid-term policy review.

Attribution and review

This assessment was produced by DeRISK UWA from the submission as received — the questionnaire and three supporting audit documents — with no contact with the applicant. Every finding traces to its questionnaire item or document, pipeline step and model version. It is decision support for a licensed chief underwriting officer: underwriter review is mandatory before any quote is issued or bound. Submission data was processed session-only and purged after this report was generated.

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