

Alaska State Legislature

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SENATOR JAMES KAUFMAN

Sponsor Statement for SB 134 – Version B

"An Act relating to insurance data security; amending Rule 26, Alaska Rules of Civil Procedure, and Rules 402 and 501, Alaska Rules of Evidence; and providing for an effective date."

Securing sensitive personal, financial, and health information is an essential issue for the insurance industry. In recent years, there have been several major data breaches involving large insurers that have exposed and compromised the sensitive personal information of millions of insurance consumers, which underscores the immense need for enhanced cybersecurity measures within the industry.

Senate Bill 134 introduces data security requirements for insurers and empowers the Division of Insurance with the tools necessary to effectively oversee the protection of Alaskans' sensitive personal information.

Senate Bill 134 requires state licensed insurers and other entities to develop, implement, and maintain an information security program based upon a full risk assessment.

Appropriate security measures are based upon careful, ongoing risk assessment for internal and external threats. Licensees are required to investigate cybersecurity events and notify the state insurance commissioner of such events.

There is an exception; if a licensee has fewer than 10 employees, is compliant with the 1996 Health Insurance Portability and Accountability Act (HIPAA), or is an agent of a licensee, then they are not required to implement an information security program.

Similar legislation already exists in 24 other states and the federal government has urged states to adopt similar measures, reflecting a nationwide recognition of the importance of these provisions.

By passing SB 134, Alaska can proactively protect its citizens from cyber threats, enhance consumer protections, and bolster the cybersecurity position of the insurance industry. I urge my colleagues to join me in supporting the security of sensitive personal information. Thank you for your consideration.