

Fiscal Note

State of Alaska
2024 Legislative Session

Bill Version:	CSHB 324(L&C)
Fiscal Note Number:	1
(H) Publish Date:	4/9/2024

Identifier: HB324-DCCED-DOI-03-21-24
 Title: INS. DATA SECURITY; INFO. SECURITY PRGRMS
 Sponsor: STAPP
 Requester: (H) LABOR & COMMERCE

Department: Department of Commerce, Community and Economic Development
 Appropriation: Insurance Operations
 Allocation: Insurance Operations
 OMB Component Number: 354

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2025	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2025 Request	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
OPERATING EXPENDITURES	FY 2025	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2024) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2025) cost: 0.0 *(separate capital appropriation required)*

Does the bill create or modify a new fund or account? No
(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? **Yes**
 If yes, by what date are the regulations to be adopted, amended or repealed? **07/01/25**

Why this fiscal note differs from previous version/comments:

Not applicable, initial version.

Prepared By:	Lori Wing-Heier, Director	Phone:	(907)269-7896
Division:	Insurance	Date:	03/21/2024
Approved By:	Hannah Lager, Administrative Services Director	Date:	03/22/24
Agency:	Commerce, Community, and Economic Development		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
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Analysis

Artificial intelligence, machine learning, and cybersecurity hacks/events are becoming a concern in the insurance industry. HB324 provides risk assessment and notification requirements that insurers and large broker firms must comply with. The bill requires that the insurers and large broker firms adopt a corporate governance structure for response to cyber events. Smaller brokerage firms are exempt.

Passage of this bill will require the division to implement regulations, including regulations that specify how companies must interact with the division and how security and risk plans will be documented and filed. The division will absorb any costs associated with the passage of this bill within current budgeted authority.