

Fiscal Note

State of Alaska
2024 Legislative Session

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| Bill Version: | CSSB 134(L&C) |
| Fiscal Note Number: | 1 |
| (S) Publish Date: | 2/19/2024 |

Identifier: SB134-DCCED-INS-02-02-24
 Title: INS. DATA SECURITY; INFO. SECURITY PRGRMS
 Sponsor: KAUFMAN
 Requester: (S) LABOR AND 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 If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/25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:

Initial version, not applicable.

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| Prepared By: | Lori Wing-Heier, Director | Phone: | (907)269-7896 |
| Division: | Insurance | Date: | 02/02/2024 |
| Approved By: | Hannah Lager, Administrative Services Director | Date: | 02/02/24 |
| Agency: | Commerce, Community, and Economic Development | | |

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2024 LEGISLATIVE SESSION

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Analysis

Artificial intelligence, machine learning and cybersecurity hacks/events are becoming a concern in the insurance industry. SB134 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.