

Bill Summary
2nd Session of the 57th Legislature

Bill No.:	SB 1919
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Floor Substitute (FS)

The FS for SB 1919 creates the Insurance Data Security Act. The measure directs each insurer in the state to develop, implement and maintain a comprehensive written information security program based on the risk assessment of the insurer within 1 year of the effective date of the measure. The program must protect the confidentiality of nonpublic information, protect against hazards to said information, prevent unauthorized access of such information, and define a schedule for retention of nonpublic information and a mechanism for its destruction when no longer needed.

Insurers must designate an employee or employees to conduct risk assessments and, based on the assessment, implement a security system. Insurers may utilize third-party vendors with due regard for the safety of nonpublic information in their possession. Insurers must submit an annual, written statement to the Insurance Commissioner that they are complying with the provisions of this measure and must maintain records related to this statement for at least 5 years. If an insurer discovers that a breach has occurred, the insurer must conduct a prompt investigation of the event. If an event did occur, the insurer must notify the Commissioner within 3 days of the event as well as report any relevant information relating to the event if the event meets certain criteria. Any event that occurs must be kept on record for at least 5 years after the event. The FS exempts any licensee subject to the Health Insurance Portability and Accountability Act or with fewer than 20 employees from the provisions of the measure.

The Commissioner is empowered to ensure compliance with the provisions of this measure. For assistance, the Commissioner may share such documents as he or she receives relating to the measure with other state, federal, and international regulatory agencies as well as the National Association of Insurance Commissioners and law enforcement agencies.

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