

Fiscal Estimate - 2021 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 21-1424/1	Introduction Number AB-0147
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Description
 imposing requirements related to insurance data cybersecurity and granting rule-making authority

Fiscal Effect

State:

- No State Fiscal Effect
- Indeterminate
 - Increase Existing Appropriations
 - Decrease Existing Appropriations
 - Create New Appropriations
- Increase Existing Revenues
- Decrease Existing Revenues
- Increase Costs - May be possible to absorb within agency's budget
 - Yes
 - No
- Decrease Costs

Local:

- No Local Government Costs
- Indeterminate
 - 1. Increase Costs
 - 2. Decrease Costs
 - 3. Increase Revenue
 - 4. Decrease Revenue
- Permissive Mandatory
 - Permissive Mandatory
 - Permissive Mandatory
 - Permissive Mandatory
- 5. Types of Local Government Units Affected
 - Towns Village Cities
 - Counties Others
 - School Districts WTCS Districts

Fund Sources Affected **Affected Ch. 20 Appropriations**

GPR
 FED
 PRO
 PRS
 SEG
 SEGS

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Fiscal Estimate Narratives

OCI 3/9/2021

LRB Number	21-1424/1	Introduction Number	AB-0147	Estimate Type	Original
Description imposing requirements related to insurance data cybersecurity and granting rule-making authority					

Assumptions Used in Arriving at Fiscal Estimate

This bill requires the protection of nonpublic information of insurers and others that are regulated by the Office of the Commissioner of Insurance (OCI). Nonpublic information is information that when combined with other personal information (such as Social Security numbers) may identify an individual.

This bill applies to all licensees that have more than \$10 million in year-end assets, \$5 million in gross annual revenue, and more than 25 employees. The commissioner reserves the right to require compliance by a licensee that does not fit the above requirements in certain circumstances.

Under this bill, OCI will mandate qualified licensees in the state to conduct a risk assessment and develop an information security plan based on the results of the risk assessment. The bill also requires the licensee to develop a plan to safeguard nonpublic information from unauthorized access. The bill also requires that a licensee have a response plan in place if nonpublic information has been compromised.

This bill provides the commissioner with the power to examine and investigate cybersecurity events. If a cybersecurity event occurs, the licensee must conduct a prompt investigation, notify the commissioner, and comply with the investigation.

This bill should not have a fiscal impact on the Office of the Commissioner of Insurance.

Long-Range Fiscal Implications

None.