

BILL SUMMARY
1st Session of the 59th Legislature

Bill No.:	SB 543
Version:	HCS
Request Number:	8119
Author:	Rep. Sneed
Date:	4/23/2024
Impact:	Please see previous summary of this measure

Research Analysis

The committee substitute for SB 543 creates the Insurance Data Security Act. The measure requires insurance licensees to develop, implement, and maintain an information security program based on the risk assessment of the licensee to address risks identified in the assessment, design security measures addressing areas of access and auditing systems, remain informed of developments in cybersecurity, and train personnel. Any board of directors must implement, oversee, and delegate oversight of the program within one year of the effective date.

Licensees are also required to establish an incident response plan for a cybersecurity event. If a cybersecurity event occurs, the licensee must conduct a prompt investigation and maintain a record of the event for no less than 5 years. The Insurance Commissioner must be notified within 3 days of how the event occurred and was discovered. If nonpublic information was accessed, the licensee must comply with the notification provisions provided for by the Security Breach Notification Act.

The measure exempts any licensee with less than \$5 million in gross annual revenue or subject to the Health Insurance Portability and Accountability Act from the provisions in this act. Licensees that lose their exemption status will have 180 days to comply with the provisions of this measure.

Prepared By: Autumn Mathews

Fiscal Analysis

The measure is currently under review and impact information will be completed.

Prepared By: House Fiscal Staff

Other Considerations

None.