

1 State of Arkansas *As Engrossed: H3/17/15 H3/23/15*

2 90th General Assembly

A Bill

3 Regular Session, 2015

HOUSE BILL 1807

4

5 By: Representative C. Douglas

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For An Act To Be Entitled

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AN ACT TO AMEND THE ARKANSAS MULTI-AGENCY INSURANCE

9

TRUST FUND ACT; TO PROVIDE FOR INFORMATION TECHNOLOGY

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THREAT MITIGATION; TO ALLOW FOR ASSESSING AND

11

INSURING RISK CONCERNING CYBERSECURITY; TO DECLARE AN

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EMERGENCY; AND FOR OTHER PURPOSES.

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Subtitle

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TO AMEND THE ARKANSAS MULTI-AGENCY

17

INSURANCE TRUST FUND ACT; TO PROVIDE FOR

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INFORMATION TECHNOLOGY THREAT MITIGATION;

19

TO ALLOW FOR ASSESSING AND INSURING RISK

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CONCERNING CYBERSECURITY; AND TO DECLARE

21

AN EMERGENCY.

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24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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26 *SECTION 1. Arkansas Code § 25-35-103(b), concerning permitted uses of*

27 *the Arkansas Multi-Agency Insurance Trust Fund, is amended to read as*

28 *follows:*

29 *(b) No money shall be appropriated from the trust fund for any purpose*
30 *except to pay:*

31 *(1) Insurance and reinsurance premiums;*

32 *(2) Loss adjustment expenses;*

33 *(3) Related educational and training expenses;*

34 *(4) Insured claims falling below the annual aggregate deductible*
35 *level; and*

36 *(5) Expenses including actuarial, consultant, and service*



1 contract fees; and

2 (6) Cybersecurity risk insurance premiums and expenses.

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4 SECTION 2. Arkansas Code § 25-35-104 is amended to read as follows:

5 25-35-104. Participation.

6 (a) ~~Effective July 1, 2003, the~~ The following agencies shall
7 participate in the Arkansas Multi-Agency Insurance Trust Fund:

8 (1) State agencies participating in the Arkansas Master Agency
9 Property Policy as of June 30, 2003;

10 (2) The Department of Correction;

11 (3) The Department of Community Correction; and

12 (4) State agencies participating in the Arkansas State Master
13 Vehicle Policy as of June 30, 2003.

14 (b) A state agency, board, commission, and institution of higher
15 education shall obtain cybersecurity risk insurance through participation in
16 the trust fund.

17 (c) Upon approval by the ~~risk manager~~ State Risk Manager, other state
18 agencies may participate in the ~~trust~~ fund.

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20 SECTION 3. Arkansas Code Title 25, Chapter 35, Subchapter 1, is
21 amended to add an additional section to read as follows:

22 25-35-109. Procurement of cybersecurity risk insurance – Study –
23 Rules.

24 The Insurance Commissioner shall direct the State Risk Manager to:

25 (1) Conduct a study to identify the cybersecurity risk exposure
26 to state government operations; and

27 (2) Upon completion of the study promulgate rules for the
28 procurement of cybersecurity risk insurance.

29
30 SECTION 4. EMERGENCY CLAUSE. It is found and determined by the
31 General Assembly of the State of Arkansas that cyber incidents, including
32 data breaches, business interruption, and network damage, present an
33 immediate and ongoing threat to the efficient operation of state government;
34 that obtaining cybersecurity insurance and contributing to a more robust
35 cybersecurity insurance market will facilitate the adoption of appropriate
36 preventative measures and best practices to guard against this threat; and

1 that this act is immediately necessary to protect the state and its computer
2 networks from cyber attacks that may interrupt the provision of state
3 services or damage computer networks at great expense to the state.
4 Therefore, an emergency is declared to exist, and this act being immediately
5 necessary for the preservation of the public peace, health, and safety shall
6 become effective on:

7 (1) The date of its approval by the Governor;

8 (2) If the bill is neither approved nor vetoed by the Governor,
9 the expiration of the period of time during which the Governor may veto the
10 bill; or

11 (3) If the bill is vetoed by the Governor and the veto is
12 overridden, the date the last house overrides the veto.

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14 /s/C. Douglas
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