

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas *As Engrossed: H3/17/15 H3/23/15 S3/27/15*
90th General Assembly **A Bill**
Regular Session, 2015

HOUSE BILL 1807

By: Representative C. Douglas

For An Act To Be Entitled

AN ACT TO AMEND THE ARKANSAS MULTI-AGENCY INSURANCE TRUST FUND ACT; TO PROVIDE FOR INFORMATION TECHNOLOGY THREAT MITIGATION; TO ALLOW FOR ASSESSING AND INSURING RISK CONCERNING CYBERSECURITY; TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

Subtitle

TO AMEND THE ARKANSAS MULTI-AGENCY INSURANCE TRUST FUND ACT; TO PROVIDE FOR INFORMATION TECHNOLOGY THREAT MITIGATION; TO ALLOW FOR ASSESSING AND INSURING RISK CONCERNING CYBERSECURITY; AND TO DECLARE AN EMERGENCY.

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

SECTION 1. Arkansas Code § 25-35-103(b), concerning permitted uses of the Arkansas Multi-Agency Insurance Trust Fund, is amended to read as follows:

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

- (1) Insurance and reinsurance premiums;*
- (2) Loss adjustment expenses;*
- (3) Related educational and training expenses;*
- (4) Insured claims falling below the annual aggregate deductible level; ~~and~~*
- (5) Expenses including actuarial, consultant, and service*



contract fees; and

(6) Cybersecurity risk insurance premiums and expenses.

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

25-35-104. Participation.

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

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

(2) The Department of Correction;

(3) The Department of Community Correction; and

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

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

SECTION 3. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that cyber incidents, including data breaches, business interruption, and network damage, present an immediate and ongoing threat to the efficient operation of state government; that obtaining cybersecurity insurance and contributing to a more robust cybersecurity insurance market will facilitate the adoption of appropriate preventative measures and best practices to guard against this threat; and that this act is immediately necessary to protect the state and its computer networks from cyber attacks that may interrupt the provision of state services or damage computer networks at great expense to the state. Therefore, an emergency is declared to exist, and this act being immediately necessary for the preservation of the public peace, health, and safety shall become effective on:

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

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

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

/s/C. Douglas