

SESSION OF 2019

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2209

As Amended by Senate Committee on Financial
Institutions and Insurance

Brief*

HB 2209, as amended, would amend law pertaining to the Committee on Surety Bonds and Insurance (Committee) to permit the Kansas Board of Regents (KBOR) to purchase cybersecurity insurance as KBOR deems necessary to protect student records, labor information, and other statutorily protected data KBOR maintains, independent of the Committee, and without complying with the purchasing procedures of the Department of Administration.

The term “cybersecurity insurance” would include, but not be limited to, first-party coverage against losses such as data destruction, denial of service attacks, theft, hacking, and liability coverage guaranteeing compensation for damages from errors, such as the failure to safeguard data.

Background

The bill was introduced by the House Committee on Insurance at the request of its chairperson, Representative Vickrey, on behalf of KBOR. In the House Committee on Insurance and Senate Committee on Financial Institutions and Insurance hearings, the President and Chief Executive Officer of KBOR provided proponent testimony, noting institutions of higher education possess a wide array of personal information on students, including health center data and financial information. The representative stated current law prohibits KBOR from purchasing cybersecurity insurance.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

[Note: KSA 2018 Supp. 75-4101, which would be amended by the bill, states "...no state agency shall purchase any insurance of any kind or nature or any surety bonds upon state officers or employees, except as provided in this act," which effectively prohibits KBOR from purchasing cybersecurity insurance.] The representative noted KBOR seeks to participate in the collaborative purchase of this type of insurance with the state universities to maximum purchasing power or to access the product available to the State as a member of the Midwestern Higher Education Compact. The representative also noted the universities and KBOR consider cybersecurity insurance to be important for addressing risks.

No neutral or opponent testimony was provided.

The Senate Committee amended the bill to change the effective date from publication in the *Kansas Register* to the statute book.

According to the fiscal note prepared by the Division of the Budget, KBOR indicates enactment of the bill, as introduced, would have no fiscal effect on its operations.