

SS HCS HBs 974, 57, 1032 & 1141 -- INSURANCE MODERNIZATION THROUGH
STANDARDS GOVERNING DIGITAL SYSTEMS

INSURANCE DATA SECURITY ACT (Sections 375.140-375.1427).

This bill establishes the "Insurance Data Security Act"

The bill requires licensees to implement an information security program, as defined in the bill. Each licensee must have a comprehensive information security program that is in keeping with the size and complexity of the licensee and the scope of its activities. This bill specifies data protection objectives for the programs, as well as standards for risk assessment by licensees, and measures to be implemented in the information security programs.

The bill specifies the requirements for licensees' boards of directors or executive management regarding the information security programs, and requires certain oversight of "third-party service providers", as defined in the bill. Licensees must monitor their information security programs, and adjust them as appropriate consistent with relevant changes in technology and the licensees' activities.

This bill requires incident response plans as part of information security programs, as specified in the bill. Insurers domiciled in this state must annually submit, by April 15, a written statement that the insurer is in compliance with the information security program requirements of the bill, and must maintain certain documentation for inspection by the Director of the Department of Commerce and Insurance for a period of three years.

The bill also specifies procedures and standards for investigation of cybersecurity events, as well as requirements to notify regulators, consumers, other insurers, and insurance producers as specified in the bill if certain cybersecurity events occur. The Director will have authority to enforce the bill in the manner provided by law for enforcement of the insurance laws of this state.

As specified in the bill, documents and other information furnished to the Department of Commerce and Insurance will be confidential and privileged from disclosure to other parties and persons receiving documents or information under the Director's authority in the bill will not testify in any private civil action. In order to assist in the performance of the Director's duties in the bill, the Director may receive documents and information which would otherwise be confidential and privileged, and may enter into agreements with other authorized parties. Neither the Director nor

any person or entity who receives documents, materials, or other information will be permitted to:

- (1) Share or otherwise release the documents, materials, or other information to a third party;
- (2) Share or otherwise release the documents, materials, or other information for commercial use; or
- (3) Sell cyber event or nonpublic information of any person or entity."; and

This bill specifies certain exceptions.

The bill contains a delayed effective date of January 1, 2026, and grants licensees additional time for the implementation of certain provisions.

PEER-TO-PEER CAR SHARING PROGRAM ACT (Sections 379.1900 to 379.1970)

This bill enacts the "Peer-to-Peer Car Sharing Program Act".

The bill requires peer-to-peer car sharing programs, as defined in the bill, to assume liability for property damage and bodily injury in an amount at least equal to the coverage required under the Motor Vehicle Financial Responsibility Law, as specified in the bill, and specifies certain requirements for insurance coverage and the resolution of coverage disputes.

At the time a vehicle owner registers on a peer-to-peer car sharing program, but before the owner makes a vehicle available for car sharing, the program must provide notice that participation in the program may violate the terms of a contract with the holders of any liens on the vehicle.

Motor vehicle insurers in this State may exclude any and all coverage under a shared motor vehicle owner's policy of motor vehicle liability insurance.

In the bill, peer-to-peer car sharing programs must collect and verify certain records pertaining to the use of a vehicle, and provide them upon request to the vehicle owner, vehicle owner's insurer, or the driver's insurer to facilitate the processing of insurance claims, and retain the records for a time period not less than the applicable personal injury statute of limitations.

This bill provides that peer-to-peer car sharing programs and shared vehicle owners are exempt from vicarious liability based

solely on vehicle ownership, and specifies that motor vehicle insurers have the right to seek recovery against the peer-to-peer car sharing program's insurer for defending certain claims.

Peer-to-peer car sharing programs must have an insurable interest in shared vehicles as specified in the bill, but are not required to maintain the insurance coverage mandated in the bill.

The bill outlines certain content peer-to-peer car sharing program agreements are required to include, and requires the peer-to-peer car sharing program to verify and keep records of certain information about drivers.

Peer-to-peer car sharing programs must have sole responsibility for any equipment put in or on a vehicle to facilitate a car sharing transaction, and will hold harmless the vehicle owner for any damage or theft occurring to the equipment during the car sharing period, but may seek compensation from the shared vehicle drivers for the damages or loss.

This bill specifies parties' responsibilities regarding safety recalls.

The Department of Commerce and Insurance can promulgate all necessary rules and regulations for the administration of the provisions of the bill.

The Peer-to-Peer Car Sharing Program Act has an effective date of January 1, 2026.