

AMENDED IN ASSEMBLY JUNE 16, 2009

AMENDED IN SENATE MARCH 4, 2009

SENATE BILL

No. 20

Introduced by Senator Simitian

December 1, 2008

An act to amend Sections 1798.29 and 1798.82 of the Civil Code, relating to personal information.

LEGISLATIVE COUNSEL'S DIGEST

SB 20, as amended, Simitian. Personal information: privacy.

Existing law requires any agency, and any person or business conducting business in California, that owns or licenses computerized data that includes personal information, as defined, to disclose in specified ways, any breach of the security of the system or data, as defined, following discovery or notification of the security breach, to any California resident whose unencrypted personal information was, or is reasonably believed to have been, acquired by an unauthorized person.

This bill would require any agency, person, or business that ~~must~~ *is required to* issue a security breach notification pursuant to existing law to fulfill certain additional requirements pertaining to the security breach notification, as specified.

The bill would also require any agency, person, or business that ~~must~~ *is required to* issue a security breach notification to more than 500 California residents pursuant to existing law to electronically submit *a single sample copy of* that security breach notification to the Attorney General, *as specified*.

The bill would also incorporate additional changes made by the Governor's Reorganization Plan.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 1798.29 of the Civil Code is amended
2 to read:
3 1798.29. (a) Any agency that owns or licenses computerized
4 data that includes personal information shall disclose any breach
5 of the security of the system following discovery or notification
6 of the breach in the security of the data to any resident of California
7 whose unencrypted personal information was, or is reasonably
8 believed to have been, acquired by an unauthorized person. The
9 disclosure shall be made in the most expedient time possible and
10 without unreasonable delay, consistent with the legitimate needs
11 of law enforcement, as provided in subdivision (c), or any measures
12 necessary to determine the scope of the breach and restore the
13 reasonable integrity of the data system.
14 (b) Any agency that maintains computerized data that includes
15 personal information that the agency does not own shall notify the
16 owner or licensee of the information of any breach of the security
17 of the data immediately following discovery, if the personal
18 information was, or is reasonably believed to have been, acquired
19 by an unauthorized person.
20 (c) The notification required by this section may be delayed if
21 a law enforcement agency determines that the notification will
22 impede a criminal investigation. The notification required by this
23 section shall be made after the law enforcement agency determines
24 that it will not compromise the investigation.
25 (d) Any agency that ~~must~~ *is required to* issue a security breach
26 notification pursuant to this section shall meet all of the following
27 requirements:
28 (1) The security breach notification shall be written in plain
29 language.
30 (2) The security breach notification shall include, at a minimum,
31 the following information:
32 (A) The name and contact information of the reporting agency
33 subject to this section.
34 (B) A list of the types of personal information that were or are
35 reasonably believed to have been the subject of a breach.

1 (C) The date, estimated date, or date range within which the
2 breach occurred, if that information is possible to determine at the
3 time the notice is provided, and the date of the notice.

4 (D) Whether the notification was delayed as a result of a law
5 enforcement investigation, *if that information is possible to*
6 *determine at the time the notice is provided.*

7 (E) A general description of the breach incident.

8 (F) The estimated number of persons affected by the breach, *if*
9 *that information is possible to determine at the time the notice is*
10 *provided.*

11 (G) The toll-free telephone numbers and addresses of the major
12 credit reporting agencies if the breach exposed ~~a bank account or~~
13 ~~credit card number~~, a social security number, or a driver's license
14 or California identification card number.

15 (3) At the discretion of the agency, the security breach
16 notification may also include any of the following:

17 (A) Information about what the agency has done to protect
18 individuals whose information has been breached.

19 (B) Advice on steps that the person whose information has been
20 breached may take to protect himself or herself.

21 (e) Any agency that ~~must~~ *is required to* issue a security breach
22 notification pursuant to this section to more than 500 California
23 residents as a result of a single breach of the security system shall
24 electronically submit *a single sample copy of* that security breach
25 notification, *excluding any personally identifiable information*, to
26 the Attorney General. *A single sample copy of a security breach*
27 *notification shall not be deemed to be within subdivision (f) of*
28 *Section 6254 of the Government Code.*

29 (f) For purposes of this section, "breach of the security of the
30 system" means unauthorized acquisition of computerized data that
31 compromises the security, confidentiality, or integrity of personal
32 information maintained by the agency. Good faith acquisition of
33 personal information by an employee or agent of the agency for
34 the purposes of the agency is not a breach of the security of the
35 system, provided that the personal information is not used or
36 subject to further unauthorized disclosure.

37 (g) For purposes of this section, "personal information" means
38 an individual's first name or first initial and last name in
39 combination with any one or more of the following data elements,
40 when either the name or the data elements are not encrypted:

1 (1) Social security number.

2 (2) Driver's license number or California Identification Card
3 number.

4 (3) Account number, credit or debit card number, in combination
5 with any required security code, access code, or password that
6 would permit access to an individual's financial account.

7 (4) Medical information.

8 (5) Health insurance information.

9 (h) (1) For purposes of this section, "personal information"
10 does not include publicly available information that is lawfully
11 made available to the general public from federal, state, or local
12 government records.

13 (2) For purposes of this section, "medical information" means
14 any information regarding an individual's medical history, mental
15 or physical condition, or medical treatment or diagnosis by a health
16 care professional.

17 (3) For purposes of this section, "health insurance information"
18 means an individual's health insurance policy number or subscriber
19 identification number, any unique identifier used by a health insurer
20 to identify the individual, or any information in an individual's
21 application and claims history, including any appeals records.

22 (i) For purposes of this section, "notice" may be provided by
23 one of the following methods:

24 (1) Written notice.

25 (2) Electronic notice, if the notice provided is consistent with
26 the provisions regarding electronic records and signatures set forth
27 in Section 7001 of Title 15 of the United States Code.

28 (3) Substitute notice, if the agency demonstrates that the cost
29 of providing notice would exceed two hundred fifty thousand
30 dollars (\$250,000), or that the affected class of subject persons to
31 be notified exceeds 500,000, or the agency does not have sufficient
32 contact information. Substitute notice shall consist of all of the
33 following:

34 (A) E-mail notice when the agency has an e-mail address for
35 the subject persons.

36 (B) Conspicuous posting of the notice on the agency's Web site
37 page, if the agency maintains one.

38 (C) Notification to major statewide media and the Office of
39 Information Security and Privacy Protection ~~within the office of~~
40 *the State Chief Information Officer.*

(j) Notwithstanding subdivision (i), an agency that maintains its own notification procedures as part of an information security policy for the treatment of personal information and is otherwise consistent with the timing requirements of this part shall be deemed to be in compliance with the notification requirements of this section if it notifies subject persons in accordance with its policies in the event of a breach of security of the system.

SEC. 2. Section 1798.82 of the Civil Code is amended to read:

1798.82. (a) Any person or business that conducts business in California, and that owns or licenses computerized data that includes personal information, shall disclose any breach of the security of the system following discovery or notification of the breach in the security of the data to any resident of California whose unencrypted personal information was, or is reasonably believed to have been, acquired by an unauthorized person. The disclosure shall be made in the most expedient time possible and without unreasonable delay, consistent with the legitimate needs of law enforcement, as provided in subdivision (c), or any measures necessary to determine the scope of the breach and restore the reasonable integrity of the data system.

(b) Any person or business that maintains computerized data that includes personal information that the person or business does not own shall notify the owner or licensee of the information of any breach of the security of the data immediately following discovery, if the personal information was, or is reasonably believed to have been, acquired by an unauthorized person.

(c) The notification required by this section may be delayed if a law enforcement agency determines that the notification will impede a criminal investigation. The notification required by this section shall be made after the law enforcement agency determines that it will not compromise the investigation.

(d) Any person or business that ~~must~~ *is required to* issue a security breach notification pursuant to this section shall meet all of the following requirements:

(1) The security breach notification shall be written in plain language.

(2) The security breach notification shall include, at a minimum, the following information:

(A) The name and contact information of the reporting person or business subject to this section.

1 (B) A list of the types of personal information that were or are
2 reasonably believed to have been the subject of a breach.

3 (C) The date, or estimated date, or date range within which the
4 breach occurred, if that information is possible to determine at the
5 time the notice is provided, and the date of the notice.

6 (D) Whether notification was delayed as a result of a law
7 enforcement investigation, *if that information is possible to*
8 *determine at the time the notice is provided.*

9 (E) A general description of the breach incident.

10 (F) The estimated number of persons affected by the breach, *if*
11 *that information is possible to determine at the time the notice is*
12 *provided.*

13 (G) The toll-free telephone numbers and addresses of the major
14 credit reporting agencies if the breach exposed ~~a bank account or~~
15 ~~credit card number~~, a social security number, or a driver's license
16 or California identification card number.

17 (3) At the discretion of the person or business, the security
18 breach notification may also include any of the following:

19 (A) Information about what the person or business has done to
20 protect individuals whose information has been breached.

21 (B) Advice on steps that the person whose information has been
22 breached may take to protect himself or herself.

23 (e) Any person or business that ~~must~~ *is required to* issue a
24 security breach notification pursuant to this section to more than
25 500 California residents as a result of a single breach of the security
26 system shall electronically submit *a single sample copy of* that
27 security breach notification, *excluding any personally identifiable*
28 *information*, to the Attorney General. *A single sample copy of a*
29 *security breach notification shall not be deemed to be within*
30 *subdivision (f) of Section 6254 of the Government Code.*

31 (f) For purposes of this section, "breach of the security of the
32 system" means unauthorized acquisition of computerized data that
33 compromises the security, confidentiality, or integrity of personal
34 information maintained by the person or business. Good faith
35 acquisition of personal information by an employee or agent of
36 the person or business for the purposes of the person or business
37 is not a breach of the security of the system, provided that the
38 personal information is not used or subject to further unauthorized
39 disclosure.

(g) For purposes of this section, “personal information” means an individual’s first name or first initial and last name in combination with any one or more of the following data elements, when either the name or the data elements are not encrypted:

(1) Social security number.

(2) Driver’s license number or California Identification Card number.

(3) Account number, credit or debit card number, in combination with any required security code, access code, or password that would permit access to an individual’s financial account.

(4) Medical information.

(5) Health insurance information.

(h) (1) For purposes of this section, “personal information” does not include publicly available information that is lawfully made available to the general public from federal, state, or local government records.

(2) For purposes of this section, “medical information” means any information regarding an individual’s medical history, mental or physical condition, or medical treatment or diagnosis by a health care professional.

(3) For purposes of this section, “health insurance information” means an individual’s health insurance policy number or subscriber identification number, any unique identifier used by a health insurer to identify the individual, or any information in an individual’s application and claims history, including any appeals records.

(i) For purposes of this section, “notice” may be provided by one of the following methods:

(1) Written notice.

(2) Electronic notice, if the notice provided is consistent with the provisions regarding electronic records and signatures set forth in Section 7001 of Title 15 of the United States Code.

(3) Substitute notice, if the person or business demonstrates that the cost of providing notice would exceed two hundred fifty thousand dollars (\$250,000), or that the affected class of subject persons to be notified exceeds 500,000, or the person or business does not have sufficient contact information. Substitute notice shall consist of all of the following:

(A) E-mail notice when the person or business has an e-mail address for the subject persons.

1 (B) Conspicuous posting of the notice on the Web site page of
2 the person or business, if the person or business maintains one.

3 (C) Notification to major statewide media and the Office of
4 ~~Information Security and Privacy Protection~~ *within the State and*
5 *Consumer Services Agency.*

6 (j) Notwithstanding subdivision (i), a person or business that
7 maintains its own notification procedures as part of an information
8 security policy for the treatment of personal information and is
9 otherwise consistent with the timing requirements of this part, shall
10 be deemed to be in compliance with the notification requirements
11 of this section if the person or business notifies subject persons in
12 accordance with its policies in the event of a breach of security of
13 the system.