

ACT No. 283

2020 Regular Session

HOUSE BILL NO. 614

BY REPRESENTATIVE SEABAUGH

1 AN ACT

2 To amend and reenact R.S. 44:4.1(B)(11) and to enact Chapter 21 of Title 22 of the
3 Louisiana Revised Statutes of 1950, to be comprised of R.S. 22:2501 through 2511,
4 relative to data security for persons regulated by the commissioner of insurance; to
5 define key terms; to require licensees to maintain an information security program;
6 to provide for the investigation of data security breaches; to require notification of
7 data security breaches; to provide for the confidentiality of certain information; to
8 authorize penalties for violations; to provide for defenses; to establish a public
9 records exception; to provide for effectiveness; and to provide for related matters.

10 Be it enacted by the Legislature of Louisiana:

11 Section 1. Chapter 21 of Title 22 of the Louisiana Revised Statutes of 1950,
12 comprised of R.S. 22:2501 through 2511, is hereby enacted to read as follows:

13 CHAPTER 21. INSURANCE DATA SECURITY

14 §2501. Short title

15 This Chapter shall be known and may be cited as the "Insurance Data
16 Security Law".

17 §2502. Purpose and intent

18 A. This Chapter establishes the exclusive standards for this state applicable
19 to licensees for data security, the investigation of a cybersecurity event, and
20 notification to the commissioner.

1 B. This Chapter shall not be construed to create or imply a private cause of
2 action for violation of its provisions nor shall it be construed to curtail a private
3 cause of action that would otherwise exist in the absence of this Chapter.

4 §2503. Definitions

5 As used in this Chapter, the following definitions apply:

6 (1) "Authorized individual" means a natural person known to and screened
7 by a licensee and determined to be necessary and appropriate to have access to the
8 nonpublic information held by a licensee and its information systems.

9 (2) "Consumer" means a natural person who is a resident of this state and
10 whose nonpublic information is in a licensee's possession, custody, or control.

11 (3)(a) "Cybersecurity event" means an event resulting in unauthorized access
12 to or disruption or misuse of an information system or nonpublic information stored
13 on an information system.

14 (b) "Cybersecurity event" shall not include either of the following:

15 (i) The unauthorized acquisition of encrypted nonpublic information if the
16 encryption, process, or key is not also acquired, released, or used without
17 authorization.

18 (ii) An event with regard to which the licensee has determined that the
19 nonpublic information accessed by an unauthorized person has not been used or
20 released and has been returned or destroyed.

21 (4) "Encrypted" means the transformation of data into a form that has a low
22 probability of assigning meaning without the use of a protective process or key.

23 (5) "Information security program" means the administrative, technical, and
24 physical safeguards that a licensee uses to access, collect, distribute, process, protect,
25 store, use, transmit, dispose of, or otherwise handle nonpublic information.

26 (6) "Information system" means a discrete set of electronic information
27 resources organized for the collection, processing, maintenance, use, sharing,
28 dissemination, or disposition of electronic nonpublic information. "Information
29 system" shall include any specialized system such as industrial or process controls

1 systems, telephone switching and private branch exchange systems, and
2 environmental control systems.

3 (7)(a) "Licensee" means any person licensed, authorized to operate, or
4 registered or required to be licensed, authorized, or registered pursuant to the
5 insurance laws of this state.

6 (b) "Licensee" shall not include either of the following:

7 (i) A purchasing group or a risk retention group chartered and licensed in a
8 state other than this state.

9 (ii) A person that is acting as an assuming insurer that is domiciled in
10 another state or jurisdiction.

11 (8) "Multi-factor authentication" means authentication through verification
12 of at least two of the following types of authentication factors:

13 (a) Knowledge factors, such as a password.

14 (b) Possession factors, such as a token or text message on a mobile phone.

15 (c) Inherence factors, such as a biometric characteristic.

16 (9) "Nonpublic information" means electronic information that is not
17 publicly available information and is any of the following:

18 (a) Any information concerning a consumer which because of name,
19 number, personal mark, or other identifier can be used to identify a consumer, in
20 combination with any one or more of the following data elements:

21 (i) Social Security number.

22 (ii) Driver's license number or nondriver identification card number.

23 (iii) Financial account number or credit or debit card number.

24 (iv) Any security code, access code, or password that would permit access
25 to a consumer's financial account.

26 (v) Biometric records.

27 (b) Any information or data, except age or gender, in any form or medium
28 created by or derived from a healthcare provider or a consumer, that can be used to
29 identify a particular consumer, and that relates to any of the following:

1 (i) The past, present, or future physical, mental, or behavioral health or
 2 condition of any consumer.

3 (ii) The provision of health care to any consumer.

4 (iii) Payment for the provision of health care to any consumer.

5 (10) "Person" means any natural person or any nongovernmental juridical
 6 person.

7 (11) "Publicly available information" means any information that a licensee
 8 reasonably believes is lawfully made available to the general public when all of the
 9 following occur:

10 (a) The information is available to the general public from any of the
 11 following sources:

12 (i) Federal, state, or local government records.

13 (ii) Widely distributed media.

14 (iii) Disclosures to the general public required to be made by federal, state,
 15 or local law.

16 (b) A licensee has a reasonable basis to believe that information is lawfully
 17 made available to the general public if the licensee has taken steps to determine all
 18 of the following:

19 (i) That the information is of a type that is available to the general public.

20 (ii) That a consumer who can direct that the information not be made
 21 available to the general public has not done so.

22 (12) "Risk assessment" means the risk assessment that each licensee is
 23 required to conduct pursuant to R.S. 22:2504(C).

24 (13) "Third-party service provider" means a person, not otherwise defined
 25 as a licensee, who contracts with a licensee to maintain, process, store, or otherwise
 26 have access to nonpublic information through its provision of services to the
 27 licensee.

1 §2504. Information security program

2 A. A licensee shall develop, implement, and maintain a comprehensive,
3 written information security program which satisfies all of the following criteria:

4 (1) Is based on the licensee's risk assessment.

5 (2) Contains administrative, technical, and physical safeguards for the
6 protection of nonpublic information and the licensee's information system.

7 (3) Is commensurate with all of the following:

8 (a) Size and complexity of the licensee.

9 (b) Nature and scope of the licensee's activities including its use of
10 third-party service providers.

11 (c) Sensitivity of the nonpublic information used by the licensee or in the
12 licensee's possession, custody, or control.

13 B. A licensee's information security program shall be designed to do all of
14 the following:

15 (1) Protect the security and confidentiality of nonpublic information and the
16 security of the information system.

17 (2) Protect against any threats or hazards to the security or integrity of
18 nonpublic information and the information system.

19 (3) Protect against unauthorized access to or use of nonpublic information
20 and minimize the likelihood of harm to any consumer.

21 (4) Define and periodically reevaluate a schedule for retention of nonpublic
22 information and a mechanism for its destruction when no longer needed.

23 C. A licensee shall conduct a risk assessment by doing all of the following:

24 (1) Designate one or more employees, an affiliate, or an outside vendor to
25 act on behalf of the licensee and to be responsible for the information security
26 program.

27 (2) Identify reasonably foreseeable internal or external threats that could
28 result in unauthorized access, transmission, disclosure, misuse, alteration, or
29 destruction of nonpublic information, including the security of information systems

1 and nonpublic information that are accessible to or held by third-party service
 2 providers.

3 (3) Assess the likelihood and potential damage of these threats, taking into
 4 consideration the sensitivity of the nonpublic information.

5 (4) Assess the sufficiency of policies, procedures, information systems, and
 6 other safeguards in place to manage these threats, including consideration of threats
 7 in each relevant area of the licensee's operations, including all of the following:

8 (a) Employee training and management.

9 (b) Information systems, including network and software design, as well as
 10 information classification, governance, processing, storage, transmission, and
 11 disposal.

12 (c) Detecting, preventing, and responding to attacks, intrusions, or other
 13 systems failures.

14 (5) Implement information safeguards to manage the threats identified in its
 15 ongoing assessment, and, no less than annually, assess the effectiveness of the
 16 safeguards' key controls, systems, and procedures.

17 D. Based on the licensee's risk assessment, a licensee shall do all of the
 18 following:

19 (1) Design an information security program to mitigate the identified risks,
 20 commensurate with the size and complexity of the licensee, the nature and scope of
 21 the licensee's activities, including the use of third-party service providers, and the
 22 sensitivity of the nonpublic information used by the licensee or in the licensee's
 23 possession, custody, or control.

24 (2) Implement all of the following security measures that the licensee
 25 determines are appropriate:

26 (a) Place access controls on information systems, including controls to
 27 authenticate and permit access only to authorized individuals to protect against the
 28 unauthorized acquisition of nonpublic information.

1 **(b) Identify and manage the data, personnel, devices, systems, and facilities**
2 **that enable the organization to achieve business purposes in accordance with their**
3 **relative importance to business objectives and the organization's risk strategy.**

4 **(c) Restrict physical access to nonpublic information to authorized**
5 **individuals.**

6 **(d) Protect by encryption or other appropriate means all nonpublic**
7 **information while being transmitted over an external network and all nonpublic**
8 **information stored on a laptop computer or other portable computing or storage**
9 **device or media.**

10 **(e) Adopt secure development practices for in-house developed applications**
11 **used by the licensee and procedures for evaluating, assessing, or testing the security**
12 **of externally developed applications used by the licensee.**

13 **(f) Modify the information system in accordance with the licensee's**
14 **information security program.**

15 **(g) Use effective controls, which may include multifactor authentication**
16 **procedures for any individual accessing nonpublic information.**

17 **(h) Regularly test and monitor systems and procedures to detect actual and**
18 **attempted attacks on or intrusions into information systems.**

19 **(i) Include audit trails within the information security program designed to**
20 **detect and respond to cybersecurity events and designed to reconstruct material**
21 **financial transactions sufficient to support normal operations and obligations of the**
22 **licensee.**

23 **(j) Implement measures to protect against destruction, loss, or damage of**
24 **nonpublic information due to environmental hazards, such as fire and water damage**
25 **or other catastrophes or technological failures.**

26 **(k) Develop, implement, and maintain procedures for the secure disposal of**
27 **nonpublic information in any format.**

28 **(3) Include cybersecurity risks in the licensee's enterprise risk management**
29 **process.**

30 **(4) Stay informed regarding emerging threats or vulnerabilities.**

1 (5) Use reasonable security measures when sharing information relative to
2 the character of the sharing and the type of information shared.

3 (6) Provide its personnel with cybersecurity awareness training that reflects
4 current risks identified by the licensee in the risk assessment.

5 E. If a licensee has a board of directors, the board or an appropriate
6 committee of the board shall, at a minimum, require a licensee's executive
7 management or its delegates to do all of the following:

8 (1) Develop, implement, and maintain the licensee's information security
9 program.

10 (2) Report in writing, at least annually, all of the following information:

11 (a) The overall status of the information security program and the licensee's
12 compliance with this Chapter.

13 (b) Material matters related to the information security program, addressing
14 issues such as risk assessment, risk management and control decisions, third-party
15 service provider arrangements, results of testing, cybersecurity events or violations
16 and management's responses thereto, and recommendations for changes in the
17 information security program.

18 (3) If executive management delegates any of the responsibilities provided
19 for in this Section, management shall oversee the development, implementation, and
20 maintenance of the licensee's information security program prepared by the delegates
21 and shall receive a report from the delegates complying with the requirements of the
22 report to the board of directors above.

23 F. With regard to third-party service providers, a licensee shall do all of the
24 following:

25 (1) Exercise due diligence in selecting a third-party service provider.

26 (2) Require third-party service providers to implement appropriate
27 administrative, technical, and physical measures to protect and secure the
28 information systems and nonpublic information that are accessible to or held by the
29 third-party service provider.

1 G. A licensee shall monitor, evaluate, and adjust, as appropriate, the
 2 information security program consistent with any relevant changes in technology, the
 3 sensitivity of its nonpublic information, internal or external threats to information,
 4 and the licensee's own changing business arrangements, including but not limited to
 5 mergers and acquisitions, alliances and joint ventures, outsourcing arrangements, and
 6 changes to information systems.

7 H.(1) As part of its information security program, each licensee shall
 8 establish a written incident response plan designed to promptly respond to, and
 9 recover from, any cybersecurity event that compromises the confidentiality,
 10 integrity, or availability of nonpublic information in its possession, the licensee's
 11 information systems, or the continuing functionality of any aspect of the licensee's
 12 business or operations.

13 (2) The incident response plan shall address all of the following:

14 (a) The internal process for responding to a cybersecurity event.

15 (b) The goals of the incident response plan.

16 (c) The definition of clear roles, responsibilities, and levels of
 17 decisionmaking authority.

18 (d) External and internal communications and information sharing.

19 (e) Identification of requirements for the remediation of any identified
 20 weaknesses in information systems and associated controls.

21 (f) Documentation and reporting regarding cybersecurity events and related
 22 incident response activities.

23 (g) The evaluation and revision of the incident response plan, as necessary,
 24 following a cybersecurity event.

25 I.(1) Annually, each insurer domiciled in this state shall submit to the
 26 commissioner a written statement by February 15, certifying that the insurer is in
 27 compliance with the requirements set forth in R.S. 22:2504.

28 (2) Each insurer shall maintain for examination by the commissioner all
 29 records, schedules, and data supporting the certificate for a period of five years.

1 (3) To the extent an insurer identifies areas, systems, or processes that
 2 require material improvement, update, or redesign, the insurer shall document the
 3 identification and the remediation efforts planned and underway to address the areas,
 4 systems, or processes. The documentation shall be made available for inspection by
 5 the commissioner.

6 §2505. Investigation of a cybersecurity event

7 A. If a licensee learns that a cybersecurity event has or may have occurred,
 8 the licensee, or an outside vendor or service provider designated to act on behalf of
 9 the licensee, shall conduct a prompt investigation.

10 B. During the investigation, the licensee, or an outside vendor or service
 11 provider designated to act on behalf of the licensee, shall do all of the following to
 12 the extent possible:

13 (1) Determine whether a cybersecurity event has occurred.

14 (2) Assess the nature and scope of the cybersecurity event.

15 (3) Identify any nonpublic information that may have been involved in the
 16 cybersecurity event.

17 (4) Undertake reasonable measures to restore the security of the information
 18 systems compromised in the cybersecurity event in order to prevent further
 19 unauthorized acquisition, release, or use of nonpublic information in the licensee's
 20 possession, custody, or control.

21 C. If a licensee learns that a cybersecurity event has or may have occurred
 22 in a system maintained by a third-party service provider, the licensee shall make
 23 reasonable efforts to complete the steps required pursuant to Subsection B of this
 24 Section or make reasonable efforts to confirm and document that the third-party
 25 service provider has completed those steps.

26 D. The licensee shall maintain records concerning all cybersecurity events
 27 for a period of at least five years from the date of the cybersecurity event and shall
 28 produce those records upon demand of the commissioner.

1 §2506. Notification of a cybersecurity event

2 A. A licensee shall notify the commissioner without unreasonable delay but
 3 in no event later than three business days from a determination that a cybersecurity
 4 event involving nonpublic information that is in the possession of the licensee has
 5 occurred when either of the following criteria has been met:

6 (1) This state is the licensee's state of domicile, in the case of an insurer, or
 7 this state is the licensee's home state, in the case of a producer, an adjuster, or public
 8 adjuster as those terms are defined in R.S. 22:1542, 1661, or 1692, and the
 9 cybersecurity event has reasonable likelihood of materially harming either of the
 10 following:

11 (a) Any consumer residing in this state.

12 (b) Any material part of the normal operations of the licensee.

13 (2) A licensee reasonably believes that the nonpublic information involved
 14 is for two hundred fifty or more consumers residing in this state and that either of the
 15 following has occurred:

16 (a) A cybersecurity event affecting the licensee of which notice is required
 17 to be provided to any government body, self-regulatory agency, or any other
 18 supervisory body pursuant to any state or federal law.

19 (b) A cybersecurity event that has a reasonable likelihood of materially
 20 harming any of the following:

21 (i) Any consumer residing in this state.

22 (ii) Any material part of the normal operations of the licensee.

23 B.(1) The licensee shall have a continuing obligation to update and
 24 supplement initial and subsequent notifications to the commissioner regarding
 25 material changes to previously provided information relative to the cybersecurity
 26 event.

27 (2) The licensee making the notification required in Subsection A of this
 28 Section shall provide as much of the following information as possible in electronic
 29 form as directed by the commissioner:

30 (a) Date of the cybersecurity event.

1 **(b) Description of how the information was exposed, lost, stolen, or**
2 **breached, including the specific roles and responsibilities of any third-party service**
3 **providers.**

4 **(c) How the cybersecurity event was discovered.**

5 **(d) Whether any lost, stolen, or breached information has been recovered**
6 **and, if so, how recovery was accomplished.**

7 **(e) The identity of the source of the cybersecurity event.**

8 **(f) Whether the licensee has filed a police report or has notified any**
9 **regulatory, government, or law enforcement agencies and when the notification was**
10 **provided.**

11 **(g)(i) Description of the specific types of information acquired without**
12 **authorization.**

13 **(ii) For the purposes of this Subparagraph, "specific types of information"**
14 **means particular data elements including but not limited to types of medical**
15 **information, types of financial information, or types of information allowing**
16 **identification of the consumer.**

17 **(h) The period during which the cybersecurity event compromised the**
18 **information system.**

19 **(i)(i) The total number of consumers in this state affected by the**
20 **cybersecurity event.**

21 **(ii) The licensee shall provide the best estimate in the initial report to the**
22 **commissioner and update this estimate with each subsequent report to the**
23 **commissioner pursuant to this Section.**

24 **(j) The results of any internal review identifying a lapse in either automated**
25 **controls or internal procedures, or confirming that all automated controls or internal**
26 **procedures were followed.**

27 **(k) Description of efforts being undertaken to remediate the situation which**
28 **permitted the cybersecurity event to occur.**

1 (l) A copy of the licensee's privacy policy and a statement outlining the steps
 2 the licensee will take to investigate and notify consumers affected by the
 3 cybersecurity event.

4 (m) Name of a contact person who is both familiar with the cybersecurity
 5 event and authorized to act for the licensee.

6 C. A licensee shall comply with the Database Security Breach Notification
 7 Law, R.S. 51:3071 et seq., as applicable, and shall provide to the commissioner a
 8 copy of the notice sent to consumers if the licensee is required to notify the
 9 commissioner pursuant to Subsection A of this Section.

10 D.(1) In the case of a cybersecurity event in a system maintained by a
 11 third-party service provider of which the licensee has become aware, all of the
 12 following shall apply:

13 (a) The licensee shall treat the cybersecurity event as it would pursuant to
 14 Subsection A of this Section, unless the third-party service provider gives the notice
 15 required in Subsection A of this Section.

16 (b) The computation of the licensee's deadlines shall begin on the day after
 17 the third-party service provider notifies the licensee of the cybersecurity event or the
 18 licensee otherwise has actual knowledge of the cybersecurity event, whichever
 19 occurs first.

20 (2) Nothing in this Chapter shall be construed to prevent or abrogate an
 21 agreement between a licensee and another licensee, a third-party service provider,
 22 or any other party to fulfill any of the investigation requirements pursuant to R.S.
 23 22:2505 or notice requirements pursuant to this Section.

24 E.(1)(a) In the case of a cybersecurity event involving nonpublic information
 25 used by a licensee acting as an assuming insurer or in the possession, custody, or
 26 control of a licensee acting as an assuming insurer and that does not have a direct
 27 contractual relationship with the affected consumers, the assuming insurer shall
 28 notify its affected ceding insurers and the commissioner of its state of domicile
 29 within three business days of making the determination that a cybersecurity event has
 30 occurred.

1 **(b) The ceding insurers that have a direct contractual relationship with**
 2 **affected consumers shall fulfill the consumer notification requirements pursuant to**
 3 **the Database Security Breach Notification Law and any other notification**
 4 **requirements relating to a cybersecurity event pursuant to this Section.**

5 **(2)(a) In the case of a cybersecurity event involving nonpublic information**
 6 **that is in the possession, custody, or control of a third-party service provider of a**
 7 **licensee that is an assuming insurer, the assuming insurer shall notify its affected**
 8 **ceding insurers and the commissioner of its state of domicile within three business**
 9 **days of receiving notice from its third-party service provider that a cybersecurity**
 10 **event has occurred.**

11 **(b) The ceding insurers that have a direct contractual relationship with**
 12 **affected consumers shall fulfill the consumer notification requirements pursuant to**
 13 **the Database Security Breach Notification Law and any other notification**
 14 **requirements relating to a cybersecurity event pursuant to this Section.**

15 **F. In the case of a cybersecurity event involving nonpublic information that**
 16 **is in the possession, custody, or control of a licensee that is an insurer or its**
 17 **third-party service provider for which a consumer accessed the insurer's services**
 18 **through an independent insurance producer and for which consumer notice is**
 19 **required by the Database Security Breach Notification Law, the insurer shall notify**
 20 **the producers of record of all affected consumers of the cybersecurity event no later**
 21 **than the time at which notice is provided to the affected consumers. The insurer**
 22 **shall be excused from this obligation for any producers who are not authorized by**
 23 **law or contract to sell, solicit, or negotiate on behalf of the insurer, and in those**
 24 **instances in which the insurer does not have the current producer of record**
 25 **information for an individual consumer.**

26 **§2507. Powers of the commissioner**

27 **A. The commissioner may examine and investigate into the affairs of any**
 28 **licensee to determine whether the licensee has been or is engaged in any conduct in**
 29 **violation of this Chapter. This power is in addition to the powers which the**

1 commissioner has pursuant to R.S. 22:1981, 1983, and 1984. Any investigation or
2 examination shall be conducted pursuant to R.S. 22:1983 and 1984.

3 B. Whenever the commissioner has reason to believe that a licensee has been
4 or is engaged in conduct in this state which violates this Chapter, the commissioner
5 may take any action that is necessary or appropriate to enforce the provisions of this
6 Chapter.

7 §2508. Confidentiality

8 A. Any documents, materials, or other information in the control or
9 possession of the commissioner that are furnished by a licensee or an employee or
10 agent acting on behalf of a licensee pursuant to R.S. 22:2504 or 2506 or that are
11 obtained by the commissioner in an investigation or examination pursuant to R.S.
12 22:2507 shall be confidential by law and privileged, shall not be subject to release
13 pursuant to the Public Records Law, R.S. 44:1 et seq., shall not be subject to
14 subpoena, and shall not be subject to discovery or admissible in evidence in any
15 private civil action. However, the commissioner may use the documents, materials,
16 or other information in the furtherance of any regulatory or legal action brought as
17 a part of the commissioner's duties. The commissioner shall not otherwise make the
18 documents, materials, or other information public.

19 B. Neither the commissioner nor any person who received documents,
20 materials, or other information while acting pursuant to the authority of the
21 commissioner shall testify in any private civil action concerning any confidential
22 documents, materials, or information subject to Subsection A of this Section.

23 C. In order to assist in the performance of the commissioner's duties pursuant
24 to this Chapter, the commissioner may do any of the following:

25 (1) Share documents, materials, or other information, including the
26 confidential and privileged documents, materials, or information subject to
27 Subsection A of this Section, with other state, federal, and international regulatory
28 agencies, with the National Association of Insurance Commissioners (NAIC), its
29 affiliates, or subsidiaries, and with state, federal, and international law enforcement

1 authorities, if the recipient agrees in writing to maintain the confidentiality and
2 privileged status of the document, material, or other information.

3 (2)(a) Receive documents, materials, or information, including otherwise
4 confidential and privileged documents, materials, or information, from the NAIC,
5 its affiliates, or subsidiaries and from regulatory and law enforcement officials of
6 other foreign or domestic jurisdictions.

7 (b) The commissioner shall maintain as confidential or privileged any
8 document, material, or information received with notice or the understanding that the
9 document, material, or information is confidential or privileged pursuant to the laws
10 of the jurisdiction that is the source of the document, material, or information.

11 (3) Share documents, materials, or other information subject to Subsection
12 A of this Section with a third-party consultant or vendor if the consultant agrees in
13 writing to maintain the confidentiality and privileged status of the document,
14 material, or other information.

15 (4) Enter into agreements governing the sharing and use of information
16 consistent with this Subsection.

17 D. No waiver of any applicable privilege or claim of confidentiality in the
18 documents, materials, or information shall occur as a result of disclosure to the
19 commissioner pursuant to this Section or as a result of sharing pursuant to
20 Subsection C of this Section.

21 E. Nothing in this Chapter shall be construed to prohibit the commissioner
22 from releasing final, adjudicated actions that are open to public inspection pursuant
23 to the Public Records Law or to a database or other clearinghouse service maintained
24 by the NAIC, its affiliates, or subsidiaries.

25 F. Documents, materials, or other information in the possession or control
26 of the NAIC or a third-party consultant or vendor pursuant to this Chapter shall be
27 confidential by law and privileged, shall not be subject to release pursuant to the
28 Public Records Law, R.S. 44:1 et seq., shall not be subject to subpoena, and shall not
29 be subject to discovery or admissible in evidence in any private civil action.

1 §2509. Exemptions

2 A. A licensee shall be exempt from the provisions of R.S. 22:2504 if the
3 licensee meets any of the following criteria:

4 (1) Having fewer than twenty-five employees.

5 (2) Less than five million dollars in gross annual revenue.

6 (3) Less than ten million dollars in year-end total assets.

7 (4) Being subject to the Health Insurance Portability and Accountability Act,
8 Pub.L. 104-191, 110 Stat. 1936, and doing all of the following:

9 (a) Establishing and maintaining an information security program pursuant
10 to any statutes, rules, regulations, procedures, or guidelines established pursuant to
11 the Health Insurance Portability and Accountability Act.

12 (b) Complying with and submitting, upon request of the commissioner, a
13 written statement certifying compliance with the information security program
14 established and maintained pursuant to Subparagraph (a) of this Paragraph.

15 (5) Being an employee, agent, representative, or designee of a licensee, who
16 is also a licensee, to the extent that the employee, agent, representative, or designee
17 is covered by the information security program of the other licensee.

18 (6) Being affiliated with a depository institution subject to the Interagency
19 Guidelines Establishing Information Security Standards pursuant to the Gramm-
20 Leach-Bliley Act, 15 U.S.C. 6801 and 6805, and doing all of the following:

21 (a) Establishing and maintaining an information security program pursuant
22 to any statutes, rules, regulations, procedures, or guidelines established pursuant to
23 the Gramm-Leach-Bliley Act.

24 (b) Complying with and submitting, upon request of the commissioner, a
25 written statement certifying compliance with the information security program
26 established and maintained pursuant to Subparagraph (a) of this Paragraph.

27 (7) Being subject to another jurisdiction approved by the commissioner and
28 doing all of the following:

1 (a) Establishing and maintaining an information security program pursuant
 2 to such statutes, rules, regulations, procedures, or guidelines established by another
 3 jurisdiction.

4 (b) Complying with and submitting a written statement certifying its
 5 compliance with the information security program established and maintained
 6 pursuant to Subparagraph (a) of this Paragraph.

7 B. In the event that a licensee ceases to qualify for an exemption pursuant
 8 to Subsection A of this Section, the licensee shall have one hundred eighty days to
 9 comply with the provisions of this Chapter.

10 C. A licensee that is subject to R.S. 51:3076 shall be exempt from the
 11 provisions of R.S. 22:2506 if the licensee does all of the following:

12 (1) Notifies affected consumers of cybersecurity events relating to the
 13 licensee's insurance business in a manner consistent with the requirements of the
 14 Gramm-Leach-Bliley Act.

15 (2) Notifies the commissioner of cybersecurity events relating to the
 16 licensee's insurance business in a manner consistent with and at the same time as the
 17 notice the licensee gives to federal regulatory authorities.

18 §2510. Penalties

19 In the case of a violation of this Chapter, the commissioner may impose a
 20 penalty pursuant to R.S. 22:18.

21 §2511. Defenses

22 A licensee that satisfies the provisions of this Chapter may assert an
 23 affirmative defense to any cause of action arising in tort that is brought pursuant to
 24 the laws of this state or in the courts of this state and that alleges that the failure to
 25 implement reasonable information security controls resulted in a data breach
 26 concerning nonpublic information.

1 Section 2. R.S. 44:4.1(B)(11) is hereby amended and reenacted to read as follows:

2 §4.1. Exceptions

3 * * *

4 B. The legislature further recognizes that there exist exceptions, exemptions,
5 and limitations to the laws pertaining to public records throughout the revised
6 statutes and codes of this state. Therefore, the following exceptions, exemptions, and
7 limitations are hereby continued in effect by incorporation into this Chapter by
8 citation:

9 * * *

10 (11) R.S. 22:2, 14, 31, 42.1, 88, 244, 263, 265, 461, 550.7, 571, 572, 572.1,
11 574, 618, 639, 691.4, 691.5, 691.6, 691.7, 691.8, 691.9, 691.9.1, 691.10, 691.38,
12 691.56, 732, 752, 753, 771, 834, 972(D), 976, 1008, 1019.2, 1203, 1290.1, 1460,
13 1464, 1466, 1488, 1546, 1559, 1566(D), 1644, 1656, 1657.1, 1723, 1796, 1801,
14 1808.3, 1927, 1929, 1983, 1984, 2036, 2045, 2056, 2085, 2091, 2293, 2303, 2508

15 * * *

16 Section 3.(A) The provisions of R.S. 22:2504(F) as enacted by Section 1 of this Act
17 shall become effective on August 1, 2022.

18 (B) The remaining provisions of R.S. 22:2504 as enacted by Section 1 of this Act
19 shall become effective on August 1, 2021.

20 Section 4. This Section and Sections 1, 2, and 3 shall become effective on August
21 1, 2020.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____