

Latest NAIC Cybersecurity News

September 28, 2015

The National Association of Insurance Commissioners has announced three initiatives in furtherance of its goal to address cybersecurity issues faced by insurance companies, their state regulators, and consumers, which it expects to adopt by the end of this summer. One such initiative saw the NAIC Cybersecurity Task Force release a draft of its Cybersecurity Bill of Rights for public comment. The Cybersecurity Bill of Rights "is intended to set standards for helping consumers if their personal information is compromised." The Cybersecurity Bill of Rights sets forth 12 general protections typically granted to consumers prior to, in prevention of, and after a regulated entity suffers a data breach. Among other things, these protections include: the right to know what type of personally identifiable information is maintained by a regulated entity; the right to expect personally identifiable information will be adequately protected from unauthorized access; and the right to receive timely notice in the event a regulated entity suffers a data breach. The Cybersecurity Bill of Rights also invokes the Fair Credit Reporting Act by specifying any consumer affected by a data breach must receive a summary of the rights provided under the FCRA to victims of identity theft. Besides informing consumers of their rights, the Cybersecurity Bill of Rights can help insurers and other regulated entities to minimize the impact posed by cybersecurity risks. Specifically, the Cybersecurity Bill of Rights should serve as a starting point for insurers to evaluate their cybersecurity incident response plan. However, thorough data breach preparation requires an understanding of, and compliance with, a myriad of state and federal laws. In some cases, these laws may conflict with the standards set forth in the consumer Cybersecurity Bill of Rights, but the proposed draft does not address the resolution of such conflicts. In addition to the Cybersecurity Bill of Rights, the NAIC Cybersecurity Task Force has announced two other initiatives. First, the Task Force is coordinating with state insurance regulators to conduct examinations of regulated entities to ensure that the necessary steps are being taken to safeguard confidential information. Also, on September 10, the Task Force is co-sponsoring a forum with the Center for Strategic and International Studies entitled "Managing Cyber Risk and the Role of Insurance" to discuss best practices in managing the cybersecurity risks faced by both businesses and consumers. The NAIC's release of the draft Cybersecurity Bill of Rights is yet another reminder of the serious cybersecurity risks faced by insurers today.

Related Practices

Cybersecurity and Privacy
Technology

Related Industries

Technology

©2024 Carlton Fields, P.A. Carlton Fields practices law in California through Carlton Fields, LLP. Carlton Fields publications should not be construed as legal advice on any specific facts or circumstances. The contents are intended for general information and educational purposes only, and should not be relied on as if it were advice about a particular fact situation. The distribution of this publication is not intended to create, and receipt of it does not constitute, an attorney-client relationship with Carlton Fields. This publication may not be quoted or referred to in any other publication or proceeding without the prior written consent of the firm, to be given or withheld at our discretion. To request reprint permission for any of our publications, please use our Contact Us form via the link below. The views set forth herein are the personal views of the author and do not necessarily reflect those of the firm. This site may contain hypertext links to information created and maintained by other entities. Carlton Fields does not control or guarantee the accuracy or completeness of this outside information, nor is the inclusion of a link to be intended as an endorsement of those outside sites.