Where the European Union Led the Way, California to Follow: An Overview of the CA Consumer Privacy Act

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Agenda

- Description of legislation
- Related insurance issues
- Questions
Who is the Law Directed at?

- $25M+ Annual Revenue
- 50%+ Annual Revenue from Data Sales
- Data of 50,000+ Individuals
What Does the Law Require?

- Disclosure of data collected
- Right to access and delete data
- Right to prohibit sale of data to third parties
Enforcement and Remedies

Consumers
- Statutory damages of $100-$750 per consumer/incident
- Actual damages if greater
- Injunctive or declaratory relief
- Other damages or class action if violation isn’t cured w/in 30 days

Attorney General
- Must be notified of any violation
- Retains right to pre-empt a consumer civil suit
What Does the Law Mean for Cyber Insurance Policies?

Policy Terms

TBD – Ongoing discussions with lead markets

Program Limits

Increased frequency and severity exposure

Claims

Potential for more successful third party liability actions