

**Second Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO**

INTRODUCED

LLS NO. 26-0245.01 Brita Darling x2241

HOUSE BILL 26-1091

HOUSE SPONSORSHIP

Lieder and Ricks,

SENATE SPONSORSHIP

(None),

House Committees
Business Affairs & Labor

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING DATA PRIVACY PROTECTIONS RELATING TO**
102 **HOMEOWNER'S INSURANCE TRANSACTIONS.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

The bill provides personal data privacy protections for consumers relating to homeowner's insurance transactions.

The bill establishes standards for an insurer, insurance producer, or surplus line insurer (licensee), and the director, officer, or agent of the licensee, as well as a processor on behalf of a licensee, relating to the use

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

of a consumer's personal data. A licensee or processor is prohibited from processing a consumer's personal data for purposes unrelated to a homeowner's insurance transaction, selling personal data, or engaging in targeted advertising or joint marketing of cobranded financial products without first obtaining the consumer's affirmative consent to any of those practices by exercising the right to opt in to those practices. Affiliates of licensees are subject to the same requirements as licensees with respect to processing personal data.

A consumer's personal data is defined in the bill, in part, as data that identifies, relates to, describes, or is capable of being associated with a particular consumer or household and includes, among other data, a consumer's name, unique personal identifier, account number, social security number, property records, products or services purchased, account logins, information regarding the consumer's interactions with an internet application, loss history information, credit report, insurance score, insurance policy number and expiration date, and racial and ethnic origin. Personal data does not include de-identified data and publicly available data.

A consumer has the right to confirm whether a licensee is processing the consumer's personal data, to access the consumer's personal data, and to request a correction or amendment of inaccurate or incomplete personal data or the deletion of personal data that is not needed for the homeowner's insurance transaction or for specific products or services for which the consumer has given their consent.

The bill requires a licensee to provide a consumer with a data privacy notice that includes the consumer's rights with respect to personal data, including the right to know whether and with whom personal data is being shared, the type and sources of personal data being collected, and the right to opt in to the sharing or sale of personal data. The bill prohibits a licensee from retaliating against a consumer with respect to the provision of homeowner's insurance and the terms of the insurance if the consumer does not consent to opt in to certain actions relating to their personal data.

The bill requires a licensee to:

- Enter into a contract with a processor to ensure that those processing personal data on behalf of the licensee are complying with the consumer data privacy protections; and
- Have a retention policy to ensure that a consumer's personal data is deleted when it is no longer necessary for the insurance or other products or services to which the consumer has consented.

Additionally, if a licensee makes an adverse underwriting decision relating to a consumer's request for homeowner's insurance, the licensee must provide the consumer with the specific reasons for the adverse decision and allow the consumer to review the specific data relating to the

adverse decision and to correct the data if appropriate. The bill prohibits a licensee from denying insurance based solely on the loss history of the previous owner of the property, or based solely on personal data received from a processor whose primary source of information is licensees, without the licensee obtaining further information that supports the adverse decision.

A consumer aggrieved by a violation of the consumer data privacy protections in the bill may bring a civil action in court and may be awarded damages for each violation, including treble damages if proved by clear and convincing evidence that the person violating the bill engaged in bad faith conduct or intentionally violated the consumer data privacy protection provisions of the bill.

In addition, the bill makes a violation of the bill an unfair or deceptive act or practice in the business of insurance and gives the commissioner of insurance the power to enforce the bill through actions against licensees and the assessment of civil penalties.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, **add** 10-4-125 as
3 follows:

4 **10-4-125. Homeowner's insurance - consumer personal data**
5 **protections - licensee requirements - opt in to certain uses of data -**
6 **private right of action - rules - legislative declaration - definitions.**

7 **(1) Legislative declaration.**

8 **(a)** THE GENERAL ASSEMBLY FINDS AND DETERMINES THAT:

9 **(I)** A HOME IS FREQUENTLY A CONSUMER'S MOST EXPENSIVE AND
10 MOST IMPORTANT ASSET;

11 **(II)** SECURING HOMEOWNER'S INSURANCE TO PROTECT A HOME
12 FROM RISKS IS VITAL TO OBTAINING FINANCING TO PURCHASE A HOME,
13 RESULTING IN A LOSS OF BARGAINING POWER FOR A PURCHASER OF
14 HOMEOWNER'S INSURANCE;

15 **(III)** PRIVACY IS VITALLY IMPORTANT IN THE CONTEXT OF THE
16 INSURANCE BUSINESS, AS INSURANCE COMPANIES REQUIRE SIGNIFICANT

1 AMOUNTS OF PERSONAL DATA FROM CONSUMERS OF INSURANCE TO
2 PROPERLY MANAGE RISKS;

3 (IV) CHANGES IN TECHNOLOGY ARE ALLOWING INSURANCE
4 COMPANIES TO USE MORE SOPHISTICATED METHODS TO COLLECT AND
5 PROCESS CONSUMER'S DATA;

6 (V) IN ADDITION, CHANGES IN THE STRUCTURE OF THE INSURANCE
7 INDUSTRY HAVE LED TO INCREASINGLY COMPLEX CONTRACTING
8 RELATIONSHIPS AMONG INSURANCE COMPANIES AND THE COMPANIES'
9 PROCESSORS AND AFFILIATES;

10 (VI) HOWEVER, INSURANCE DATA PRIVACY LAWS HAVE NOT KEPT
11 PACE WITH CHANGES IN THE INSURANCE MARKETPLACE; AND

12 (VII) CURRENTLY, CONSUMERS ARE PRESENTED WITH PRIVACY
13 NOTICES THAT ARE CONFUSING AND UNINFORMATIVE, POSSIBLY
14 SUBJECTING CONSUMERS TO THE OVERCOLLECTION OF THEIR PERSONAL
15 DATA, THE PROLIFERATION OF THAT DATA TO RECIPIENTS NOT
16 CONTEMPLATED BY THE CONSUMER, UNWANTED MARKETING CONTACTS,
17 FRAUD ARISING FROM DATA BREACHES, UNDERWRITING BASED ON STALE
18 DATA, OR RETALIATION FOR EXERCISING PRIVACY RIGHTS, AMONG OTHER
19 RISKS.

20 (b) THE GENERAL ASSEMBLY DECLARES THAT THE PURPOSE OF
21 THIS SECTION IS TO ADDRESS GAPS IN CONSUMER PROTECTIONS RELATING
22 TO HOMEOWNER'S INSURANCE AND TO GIVE THE COMMISSIONER AND
23 CONSUMERS POWERFUL TOOLS TO PROTECT CONSUMER PRIVACY, AS
24 FOLLOWS:

25 (I) ENSURING THAT INSURANCE COMPANIES PROCESS ONLY
26 PERSONAL DATA RELATING TO THE TRANSACTION REQUESTED BY THE
27 CONSUMER;

1 (II) ENSURING POLICIES ARE IN PLACE FOR RECORD RETENTION
2 AND DESTRUCTION OF PERSONAL DATA THAT IS NO LONGER NEEDED;

3 (III) ENSURING THAT VENDOR CONTRACTS BETWEEN INSURERS
4 AND PROCESSORS PROTECT THE SECURITY OF CONSUMERS' PERSONAL
5 DATA;

6 (IV) OPT-IN REQUIREMENTS SO THAT A CONSUMER'S PERSONAL
7 DATA IS USED ONLY TO PROVIDE THE INSURANCE PRODUCT REQUESTED BY
8 THE CONSUMER AND NOT FOR OTHER PURPOSES WITHOUT THE EXPRESS
9 CONSENT OF THE CONSUMER;

10 (V) REQUIRING REASONABLE NOTICE TO CONSUMERS WITH
11 MEANINGFUL INFORMATION ABOUT WHAT DATA IS COLLECTED, HOW IT IS
12 USED, TO WHOM IT IS DISCLOSED, AND WHAT RIGHTS THE CONSUMER HAS
13 UNDER THE LAW;

14 (VI) GOVERNANCE PROCESSES AND PROCEDURES ON DATA USE;

15 (VII) PROTECTING INSURANCE CONSUMERS' ACCESS TO
16 NONRETALIATION BY ENSURING THAT THEY HAVE REASONABLE ACCESS TO
17 THEIR PRIVACY RIGHTS AND ARE NOT RETALIATED AGAINST IN THE
18 PURCHASE OF HOMEOWNER'S INSURANCE BY EXERCISING THEIR PRIVACY
19 RIGHTS;

20 (VIII) AUTHORIZING THE COMMISSIONER TO INVESTIGATE AND
21 TAKE ACTION AGAINST LICENSEES THAT VIOLATE CONSUMER PRIVACY
22 PROTECTIONS, INCLUDING ACTIONS BY THE ATTORNEY GENERAL TO
23 ENFORCE UNFAIR OR DECEPTIVE ACTS OR PRACTICES IN THE BUSINESS OF
24 INSURANCE; AND

25 (IX) AUTHORIZING CONSUMERS TO BRING A CIVIL ACTION AGAINST
26 A LICENSEE FOR VIOLATING THE DATA PRIVACY PROVISIONS OF THIS
27 SECTION.

1 (2) **Definitions.** AS USED IN THIS SECTION, UNLESS THE CONTEXT
2 OTHERWISE REQUIRES:

3 (a) (I) "AFFILIATE" MEANS A LEGAL ENTITY THAT CONTROLS, IS
4 CONTROLLED BY, OR IS UNDER COMMON CONTROL WITH ANOTHER LEGAL
5 ENTITY.

6 (II) AS USED IN SUBSECTION (2)(a)(I) OF THIS SECTION, "CONTROL"
7 MEANS:

8 (A) OWNERSHIP OF, CONTROL OF, OR POWER TO VOTE
9 TWENTY-FIVE PERCENT OR MORE OF THE OUTSTANDING SHARES OF ANY
10 CLASS OF VOTING SECURITY OF THE ENTITY, WHETHER DIRECTLY OR
11 INDIRECTLY OR ACTING THROUGH ONE OR MORE OTHER PERSONS;

12 (B) CONTROL IN ANY MANNER OVER THE ELECTION OF A MAJORITY
13 OF THE DIRECTORS, TRUSTEES, OR GENERAL PARTNERS OF THE ENTITY OR
14 OF INDIVIDUALS EXERCISING SIMILAR FUNCTIONS; OR

15 (C) THE POWER TO EXERCISE, DIRECTLY OR INDIRECTLY, A
16 CONTROLLING INFLUENCE OVER THE MANAGEMENT OR POLICIES OF THE
17 ENTITY AS DETERMINED BY THE APPLICABLE PRUDENTIAL REGULATOR, AS
18 THAT TERM IS DEFINED IN 12 U.S.C. SEC. 5481 (24), IF ANY.

19 (b) "AUTHENTICATE" MEANS TO USE REASONABLE MEANS TO
20 DETERMINE THAT A REQUEST TO EXERCISE A RIGHT SET FORTH IN THIS
21 SECTION IS BEING MADE ON BEHALF OF THE CONSUMER WHO IS ENTITLED
22 TO EXERCISE THE RIGHT.

23 (c) "CONSENT" MEANS A CLEAR, AFFIRMATIVE ACT SIGNIFYING A
24 CONSUMER'S FREELY GIVEN, SPECIFIC, INFORMED, AND UNAMBIGUOUS
25 AGREEMENT, SUCH AS BY A WRITTEN STATEMENT, INCLUDING BY
26 ELECTRONIC MEANS, OR OTHER CLEAR, AFFIRMATIVE ACTION BY WHICH
27 THE CONSUMER SIGNIFIES AGREEMENT TO THE PROCESSING OF PERSONAL

1 DATA. THE FOLLOWING DOES NOT CONSTITUTE CONSENT:

2 (I) ACCEPTANCE OF A GENERAL OR BROAD TERMS OF USE OR
3 SIMILAR DOCUMENT THAT CONTAINS DESCRIPTIONS OF PERSONAL DATA
4 PROCESSING ALONG WITH OTHER, UNRELATED INFORMATION;

5 (II) HOVERING OVER, MUTING, PAUSING, OR CLOSING A GIVEN
6 PIECE OF CONTENT; AND

7 (III) AGREEMENT OBTAINED THROUGH DARK PATTERNS.

8 (d) "CONSUMER" MEANS A HOMEOWNER'S INSURANCE APPLICANT,
9 AN INSURED, AND, WITH RESPECT TO THE RETENTION OF PERSONAL DATA,
10 A FORMERLY INSURED.

11 (e) "CREDIT REPORT" HAS THE MEANING SET FORTH IN SECTION
12 10-4-116 (8)(h).

13 (f) "DARK PATTERN" MEANS A USER INTERFACE DESIGNED OR
14 MANIPULATED WITH THE SUBSTANTIAL EFFECT OF SUBVERTING OR
15 IMPAIRING USER AUTONOMY, DECISION-MAKING, OR CHOICE.

16 (g) "DE-IDENTIFIED DATA" HAS THE MEANING SET FORTH IN
17 SECTION 6-1-1303 (11).

18 (h) "DELETE" OR "DELETION" MEANS TO REMOVE OR DESTROY
19 PERSONAL DATA BY PERMANENTLY ERASING THE PERSONAL DATA ON
20 EXISTING SYSTEMS SO THAT IT IS NOT MAINTAINED IN HUMAN- OR
21 MACHINE-READABLE FORM AND CANNOT BE RETRIEVED OR UTILIZED IN
22 THAT FORM.

23 (i) (I) "INSURANCE TRANSACTION" MEANS A TRANSACTION OR
24 SERVICE BY OR ON BEHALF OF A LICENSEE AND ITS AFFILIATES RELATED TO
25 ANY OF THE FOLLOWING:

26 (A) THE UNDERWRITING OR THE DETERMINATION OF A
27 CONSUMER'S ELIGIBILITY FOR OR THE AMOUNT OF HOMEOWNER'S

1 INSURANCE COVERAGE, A RATE, A BENEFIT, A PAYMENT, OR A CLAIM
2 SETTLEMENT;

3 (B) LICENSEES OR PROCESSORS PERFORMING SERVICES, INCLUDING
4 MAINTAINING OR SERVICING ACCOUNTS, PROVIDING CUSTOMER SERVICE,
5 PROCESSING REQUESTS OR TRANSACTIONS, VERIFYING CUSTOMER
6 INFORMATION, PROCESSING PAYMENTS, PROVIDING FINANCING, PROVIDING
7 ANALYTIC SERVICES, PROVIDING STORAGE, OR ANY SIMILAR SERVICES;

8 (C) PROVISION OF VALUE-ADDED SERVICES OR BENEFITS IN
9 CONNECTION WITH THE BUSINESS OF INSURANCE;

10 (D) AN ACTUARIAL STUDY RELATED TO RATING, RISK
11 MANAGEMENT, OR EXEMPT RESEARCH ACTIVITIES CONDUCTED BY OR FOR
12 THE BENEFIT OF THE LICENSEE USING CONSUMERS' PERSONAL DATA;

13 (E) THE SHORT-TERM, TRANSIENT USE OF A CONSUMER'S PERSONAL
14 DATA IN CONNECTION WITH THE CONSUMER'S CURRENT INTERACTION WITH
15 THE LICENSEE, INCLUDING NONPERSONALIZED ADVERTISING SHOWN AS
16 PART OF A CONSUMER'S CURRENT INTERACTION WITH THE LICENSEE, IF THE
17 CONSUMER'S PERSONAL DATA IS NOT OTHERWISE SHARED OR SOLD
18 WITHOUT CONSENT AND IS NOT USED TO BUILD A PROFILE ABOUT THE
19 CONSUMER OR OTHERWISE ALTER THE CONSUMER'S EXPERIENCE OUTSIDE
20 THE CURRENT INTERACTION WITH THE LICENSEE;

21 (F) DETECTION OR PREVENTION OF INSURANCE FRAUD, CRIME
22 RELATED TO INSURANCE CLAIMS, MATERIAL MISREPRESENTATION, OR
23 MATERIAL NONDISCLOSURE; OR

24 (G) PROVIDING PERSONAL DATA TO STATISTICAL AGENTS OR
25 REINSURERS, PROVIDED THAT THE PERSONAL DATA IS ONLY USED FOR THE
26 PURPOSES FOR WHICH IT IS SHARED.

27 (II) "INSURANCE TRANSACTION" DOES NOT INCLUDE PROCESSING

1 RELATED TO MARKETING OR RESEARCH.

2 (j) (I) "LICENSEE" MEANS A PERSON LICENSED, REQUIRED TO BE
3 LICENSED, OR AUTHORIZED TO DO BUSINESS IN THE STATE IN CONNECTION
4 WITH THE TRANSACTION OF HOMEOWNER'S INSURANCE BUSINESS,
5 INCLUDING:

6 (A) AN INSURER, INCLUDING THE FAIR ACCESS TO INSURANCE
7 REQUIREMENTS PLAN ASSOCIATION CREATED IN SECTION 10-4-1804;

8 (B) A PRODUCER;

9 (C) A SURPLUS LINE INSURER; AND

10 (D) A DIRECTOR, OFFICER, EMPLOYEE, OR AGENT OF A LICENSEE.

11 (II) "LICENSEE" DOES NOT INCLUDE A PURCHASING GROUP OR A
12 RISK RETENTION GROUP CHARTERED AND LICENSED IN A STATE OTHER
13 THAN THIS STATE OR A LICENSEE THAT IS ACTING AS AN ASSUMING
14 INSURER THAT IS DOMICILED IN ANOTHER STATE OR JURISDICTION.

15 (k) "LOSS HISTORY INFORMATION REPORT" HAS THE MEANING SET
16 FORTH IN SECTION 10-4-117 (2).

17 (l) (I) "PERSONAL DATA" MEANS ANY OF THE FOLLOWING
18 INFORMATION PROCESSED IN THE BUSINESS OF INSURANCE THAT
19 IDENTIFIES, RELATES TO, DESCRIBES, IS REASONABLY CAPABLE OF BEING
20 ASSOCIATED WITH, OR COULD REASONABLY BE LINKED, DIRECTLY OR
21 INDIRECTLY, WITH A PARTICULAR CONSUMER OR HOUSEHOLD, INCLUDING:

22 (A) IDENTIFIERS SUCH AS REAL NAME, ALIAS, SIGNATURE, POSTAL
23 ADDRESS, UNIQUE PERSONAL IDENTIFIER, ONLINE IDENTIFIER, INTERNET
24 PROTOCOL ADDRESS, EMAIL ADDRESS, TELEPHONE NUMBER, ACCOUNT
25 NAME, SOCIAL SECURITY NUMBER, DRIVER'S LICENSE NUMBER, PASSPORT
26 NUMBER, OR OTHER SIMILAR IDENTIFIERS;

27 (B) COMMERCIAL DATA, INCLUDING RECORDS OF PERSONAL

1 PROPERTY, PRODUCTS, OR SERVICES PURCHASED, OBTAINED, OR
2 CONSIDERED, OTHER THAN PURCHASING OR CONSUMER HISTORIES OR
3 TENDENCIES;

4 (C) ACCOUNT LOGIN, FINANCIAL ACCOUNT NUMBER, DEBIT CARD
5 NUMBER, OR CREDIT CARD NUMBER IN COMBINATION WITH ANY REQUIRED
6 SECURITY ACCESS CODE, PASSWORD, OR CREDENTIALS ALLOWING ACCESS
7 TO AN ACCOUNT;

8 (D) INTERNET OR OTHER ELECTRONIC NETWORK ACTIVITY
9 INFORMATION, INCLUDING BROWSING HISTORY, SEARCH HISTORY, AND
10 INFORMATION REGARDING A CONSUMER'S INTERACTION WITH AN INTERNET
11 WEBSITE APPLICATION OR ADVERTISEMENT;

12 (E) A LOSS HISTORY INFORMATION REPORT;

13 (F) A CREDIT REPORT;

14 (G) AN INSURANCE SCORE;

15 (H) AN INSURANCE POLICY NUMBER;

16 (I) AN INSURANCE POLICY EXPIRATION DATE;

17 (J) PROFESSIONAL- OR EMPLOYMENT-RELATED INFORMATION;

18 (K) EDUCATION INFORMATION THAT IS NOT PUBLICLY AVAILABLE;

19 (L) PRECISE GEOLOCATION DATA;

20 (M) INFERENCES DRAWN FROM ANY OF THE INFORMATION
21 IDENTIFIED IN THIS SUBSECTION (2)(l) TO CREATE A PROFILE ABOUT A
22 CONSUMER REFLECTING THE CONSUMER'S PREFERENCES,
23 CHARACTERISTICS, CHARACTER HABITS, AVOCATIONS, FINANCES,
24 OCCUPATION, GENERAL REPUTATION, CREDIT, PSYCHOLOGICAL TRENDS,
25 PREDISPOSITIONS, BEHAVIOR, ATTITUDES, INTELLIGENCE, ABILITIES, AND
26 APTITUDES;

27 (N) CHARACTERISTICS OF PROTECTED CLASSIFICATIONS PURSUANT

1 TO STATE OR FEDERAL LAW; AND

2 (O) RACIAL OR ETHNIC ORIGIN, CITIZENSHIP OR IMMIGRATION
3 STATUS, RELIGIOUS OR PHILOSOPHICAL BELIEFS, OR UNION MEMBERSHIP.

4 (II) "PERSONAL DATA" DOES NOT INCLUDE DE-IDENTIFIED DATA,
5 PSEUDONYMOUS DATA, PUBLICLY AVAILABLE DATA, OR LAWFULLY
6 OBTAINED, TRUTHFUL INFORMATION THAT IS A MATTER OF PUBLIC
7 CONCERN.

8 (m) "PRIVILEGED DATA" MEANS PERSONAL DATA THAT IS
9 COLLECTED IN CONNECTION WITH OR IN REASONABLE ANTICIPATION OF A
10 CLAIM FOR INSURANCE BENEFITS OR A CIVIL OR CRIMINAL PROCEEDING
11 INVOLVING A CONSUMER UNTIL THE CLAIM OR PROCEEDING IS FINALIZED;
12 EXCEPT THAT INFORMATION THAT MEETS THE REQUIREMENTS OF THIS
13 SECTION SHALL NEVERTHELESS BE CONSIDERED PERSONAL DATA IF IT IS
14 DISCLOSED IN VIOLATION OF THIS SECTION.

15 (n) "PROCESS" OR "PROCESSING" MEANS THE USE, SALE, STORAGE,
16 DISCLOSURE, ANALYSIS, DELETION, OR MODIFICATION OF PERSONAL DATA
17 AND INCLUDES THE ACTIONS OF A LICENSEE DIRECTING A PROCESSOR TO
18 PROCESS PERSONAL DATA.

19 (o) "PROCESSOR" MEANS A PERSON THAT PROCESSES PERSONAL
20 DATA ON BEHALF OF A LICENSEE.

21 (p) "PRODUCER" MEANS A PERSON THAT SOLICITS, NEGOTIATES,
22 EFFECTS, PROCURES, DELIVERS, RENEWS, CONTINUES, OR BINDS POLICIES
23 OF HOMEOWNER'S INSURANCE.

24 (q) "PSEUDONYMOUS DATA" MEANS PERSONAL DATA THAT
25 CANNOT BE ATTRIBUTED TO A SPECIFIC INDIVIDUAL WITHOUT THE USE OF
26 ADDITIONAL INFORMATION, PROVIDED THE ADDITIONAL INFORMATION IS
27 KEPT SEPARATELY AND IS SUBJECT TO APPROPRIATE TECHNICAL AND

1 ORGANIZATIONAL MEASURES TO ENSURE THAT THE PERSONAL DATA IS NOT
2 ATTRIBUTABLE TO AN IDENTIFIED OR IDENTIFIABLE INDIVIDUAL.

3 (r) "PUBLICLY AVAILABLE DATA" MEANS DATA RELATING TO A
4 CONSUMER THAT A LICENSEE HAS A REASONABLE BASIS TO BELIEVE IS
5 LAWFULLY MADE AVAILABLE FROM ANY OF THE FOLLOWING:

6 (I) FEDERAL, STATE, OR LOCAL GOVERNMENT RECORDS;

7 (II) WIDELY DISTRIBUTED MEDIA; OR

8 (III) DISCLOSURES TO THE GENERAL PUBLIC THAT ARE REQUIRED
9 TO BE MADE PURSUANT TO FEDERAL, STATE, OR LOCAL LAW.

10 (s) "RETAIN" OR "RETENTION" MEANS STORING OR ARCHIVING
11 PERSONAL DATA THAT IS IN THE CONTINUOUS POSSESSION, USE, OR
12 CONTROL OF A LICENSEE OR PROCESSOR.

13 (t) (I) "SALE OF PERSONAL DATA" OR "SELL PERSONAL DATA"
14 MEANS THE EXCHANGE OF A CONSUMER'S PERSONAL DATA TO A THIRD
15 PARTY FOR MONETARY OR OTHER VALUABLE CONSIDERATION.

16 (II) "SALE OF PERSONAL DATA" OR "SELL PERSONAL DATA" DOES
17 NOT INCLUDE ANY OF THE FOLLOWING SHARING OF PERSONAL DATA:

18 (A) DISCLOSING PERSONAL DATA TO A PROCESSOR THAT
19 PROCESSES THE PERSONAL DATA ON BEHALF OF A LICENSEE;

20 (B) DISCLOSING PERSONAL DATA TO A THIRD PARTY FOR PURPOSES
21 OF PROVIDING A PRODUCT OR SERVICE SPECIFICALLY REQUESTED BY A
22 CONSUMER;

23 (C) DISCLOSING PERSONAL DATA TO AN AFFILIATE OF A LICENSEE;

24 (D) DISCLOSING PERSONAL DATA PURSUANT TO A CONSUMER'S
25 DIRECTION TO A LICENSEE TO DISCLOSE PERSONAL DATA TO, OR INTERACT
26 WITH, ONE OR MORE LICENSEES, A REINSURER, OR A THIRD PARTY;

27 (E) TRANSFERRING PERSONAL DATA TO A THIRD PARTY AS AN

1 ASSET PURSUANT TO A MERGER, ACQUISITION, BANKRUPTCY, OR OTHER
2 TRANSACTION, OR A PROPOSED MERGER, ACQUISITION, BANKRUPTCY, OR
3 OTHER TRANSACTION, IN WHICH THE THIRD PARTY ASSUMES CONTROL OF
4 ALL OR PART OF A LICENSEE'S ASSETS; OR

5 (F) THE DISCLOSURE OF PERSONAL DATA THAT A CONSUMER
6 INTENTIONALLY MADE AVAILABLE TO THE GENERAL PUBLIC VIA A
7 CHANNEL OF MASS MEDIA.

8 (u) "SHARE" OR "SHARING" MEANS SHARING, RENTING, RELEASING,
9 DISCLOSING, DISSEMINATING, MAKING AVAILABLE, TRANSFERRING, OR
10 OTHERWISE COMMUNICATING ORALLY, IN WRITING, OR BY ELECTRONIC OR
11 OTHER MEANS A CONSUMER'S PERSONAL DATA BY A LICENSEE OR
12 PROCESSOR TO A THIRD PARTY, WHETHER OR NOT FOR MONETARY OR
13 OTHER VALUABLE CONSIDERATION, INCLUDING TRANSACTIONS BETWEEN
14 A LICENSEE AND A THIRD PARTY, FOR THE BENEFIT OF ANY PERSON, IN
15 WHICH NO MONEY IS EXCHANGED.

16 (v) "TARGETED ADVERTISING" HAS THE MEANING SET FORTH IN
17 SECTION 6-1-1303 (25).

18 (w) "THIRD PARTY" MEANS A PERSON, PUBLIC AUTHORITY,
19 AGENCY, OR BODY OTHER THAN THE CONSUMER, LICENSEE, PROCESSOR,
20 OR AFFILIATE OF THE LICENSEE OR PROCESSOR.

21 (x) "VALUE-ADDED SERVICE OR BENEFIT" MEANS A PRODUCT OR
22 SERVICE THAT RELATES TO HOMEOWNER'S INSURANCE APPLIED FOR OR
23 PURCHASED BY A CONSUMER THAT IS PRIMARILY DESIGNED TO:

24 (I) PROVIDE LOSS MITIGATION OR LOSS CONTROL TO MITIGATE
25 RISKS RELATED TO THE HOMEOWNER'S INSURANCE REQUESTED BY OR
26 OFFERED TO THE CONSUMER;

27 (II) REDUCE CLAIM COSTS OR CLAIM SETTLEMENT COSTS;

1 (III) PROVIDE EDUCATION ABOUT LIABILITY RISKS OR RISK OF LOSS
2 TO PERSONS OR PROPERTY;

3 (IV) MONITOR OR ASSESS RISK, IDENTIFY SOURCES OF RISK, OR
4 DEVELOP STRATEGIES FOR ELIMINATING OR REDUCING RISK; OR

5 (V) PROVIDE POST-LOSS SERVICES.

6 (3) **Applicability of section.**

7 (a) ON AND AFTER JANUARY 1, 2028, THIS SECTION APPLIES TO A
8 LICENSEE OR A PROCESSOR THAT:

9 (I) PROCESSES CONSUMERS' PERSONAL DATA IN CONNECTION WITH
10 A POLICY OF HOMEOWNER'S INSURANCE;

11 (II) ENGAGES IN HOMEOWNER'S INSURANCE TRANSACTIONS WITH
12 CONSUMERS; OR

13 (III) ENGAGES IN ACTIVITIES NOT RELATED TO HOMEOWNER'S
14 INSURANCE TRANSACTIONS INVOLVING HOMEOWNER'S INSURANCE
15 CONSUMERS' PERSONAL DATA.

16 (b) THE PROTECTIONS OF THIS SECTION EXTEND TO A CONSUMER:

17 (I) WHOSE PERSONAL DATA IS PROCESSED IN CONNECTION WITH A
18 HOMEOWNER'S INSURANCE TRANSACTION;

19 (II) WHO HAS PREVIOUSLY ENGAGED IN HOMEOWNER'S INSURANCE
20 TRANSACTIONS WITH A LICENSEE OR PROCESSOR INVOLVING THE
21 CONSUMER'S PERSONAL DATA; OR

22 (III) WHOSE PERSONAL DATA IS USED FOR PURPOSES OTHER THAN
23 HOMEOWNER'S INSURANCE TRANSACTIONS BY LICENSEES AND
24 PROCESSORS.

25 (c) AN AFFILIATE THAT PROCESSES PERSONAL DATA RECEIVED
26 FROM, OR ON BEHALF OF, A LICENSEE IS SUBJECT TO THE SAME
27 REQUIREMENTS UNDER THIS SECTION THAT ARE APPLICABLE TO A

1 LICENSEE.

2 (d) THE OBLIGATIONS IMPOSED BY THIS SECTION DO NOT APPLY TO
3 DEPOSITORY INSTITUTIONS OR AFFILIATES OF DEPOSITORY INSTITUTIONS
4 THAT ARE SUBJECT TO THE FEDERAL "GRAMM-LEACH-BLILEY ACT", 15
5 U.S.C. SEC. 6801 ET SEQ., UNLESS THE AFFILIATES ARE LICENSEES FOR
6 PURPOSES OF THIS SECTION.

7 (4) **Right to access, correct, and delete personal data - right to**
8 **opt in to certain activities regarding personal data - rules.**

9 (a) NO LATER THAN JANUARY 1, 2028, A HOMEOWNER'S
10 INSURANCE CONSUMER HAS THE RIGHT TO:

11 (I) CONFIRM WHETHER A LICENSEE IS PROCESSING PERSONAL DATA
12 CONCERNING THE CONSUMER AND TO ACCESS THE CONSUMER'S PERSONAL
13 DATA;

14 (II) TAKING INTO ACCOUNT THE NATURE OF THE PERSONAL DATA
15 AND THE PURPOSE FOR PROCESSING THE CONSUMER'S PERSONAL DATA:

16 (A) REQUEST A CORRECTION OR AMENDMENT OF INACCURATE OR
17 INCOMPLETE PERSONAL DATA ABOUT THE CONSUMER; AND

18 (B) REQUEST THE DELETION OF PERSONAL DATA THAT IS NOT
19 NEEDED FOR THE COMPLETION OF THE HOMEOWNER'S INSURANCE
20 TRANSACTION OR FOR SPECIFIC PRODUCTS OR SERVICES FOR WHICH THE
21 CONSUMER HAS PROVIDED CONSENT;

22 (III) WHEN EXERCISING THE RIGHT TO ACCESS PERSONAL DATA
23 PURSUANT TO SUBSECTION (4)(a)(I) OF THIS SECTION, OBTAIN FROM THE
24 LICENSEE THE PERSONAL DATA IN A PORTABLE AND, TO THE EXTENT
25 TECHNICALLY FEASIBLE, READILY USABLE FORMAT THAT ALLOWS THE
26 CONSUMER TO TRANSMIT THE DATA TO ANOTHER ENTITY WITHOUT
27 HINDRANCE, SO LONG AS THE LICENSEE IS NOT REQUIRED TO REVEAL ANY

1 TRADE SECRET; AND

2 (IV) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, OPT IN TO
3 THE PROCESSING OF THE CONSUMER'S PERSONAL DATA FOR PURPOSES OF:

4 (A) THE SHARING OF PERSONAL DATA UNRELATED TO THE
5 INSURANCE TRANSACTION;

6 (B) THE SALE OF PERSONAL DATA;

7 (C) TARGETED ADVERTISING; AND

8 (D) JOINT MARKETING OF COBRANDED FINANCIAL PRODUCTS.

9 (b) A LICENSEE PROVIDING AN OPT-IN PROCESS REQUIRED
10 PURSUANT TO SUBSECTION (4)(a)(IV) OF THIS SECTION OR OTHERWISE
11 OBTAINING CONSENT REQUIRED PURSUANT TO THIS SECTION SHALL
12 PROVIDE TO A CONSUMER A CLEAR AND CONSPICUOUS NOTICE OF THE TYPE
13 AND USE OF PERSONAL DATA THAT THE LICENSEE WOULD BE ABLE TO
14 PROCESS IF THE CONSUMER OPTS IN OR CONSENTS AND A PROCESS FOR THE
15 CONSUMER TO REVOKE CONSENT AS EASILY AS IT WAS AFFIRMATIVELY
16 PROVIDED.

17 (c) THE COMMISSIONER SHALL ADOPT RULES RELATING TO THE
18 FORM AND MANNER FOR IMPLEMENTING THE CONSUMER RIGHTS SET FORTH
19 IN THIS SUBSECTION (4).

20 **(5) Duties of licensees - consumer data privacy notice - consent**
21 **- prohibited actions.**

22 (a) A LICENSEE SHALL ENSURE THAT A CONSUMER'S PERSONAL
23 DATA IS NOT PROCESSED, RETAINED, OR SHARED WITHOUT THE
24 CONSUMER'S CONSENT FOR PURPOSES OTHER THAN THOSE REASONABLY
25 NECESSARY TO TRANSACT HOMEOWNER'S INSURANCE BUSINESS AND FOR
26 PRODUCTS OR SERVICES RELATED TO HOMEOWNER'S INSURANCE THAT ARE
27 SPECIFICALLY REQUESTED BY THE CONSUMER.

1 (b) (I) A LICENSEE SHALL CREATE A REASONABLY ACCESSIBLE,
2 CLEAR, AND MEANINGFUL CONSUMER DATA PRIVACY NOTICE AND
3 DISTRIBUTE THE NOTICE TO EACH CONSUMER WITHIN A REASONABLE TIME
4 AFTER THE LICENSEE, DIRECTLY OR THROUGH A PROCESSOR, FIRST
5 COLLECTS, PROCESSES, OR SHARES THE CONSUMER'S PERSONAL DATA.

6 (II) THE CONSUMER DATA PRIVACY NOTICE MUST STATE IN
7 WRITING ALL OF THE FOLLOWING:

8 (A) THAT PERSONAL DATA HAS BEEN OR MAY BE COLLECTED BY
9 THE LICENSEE OR A PROCESSOR FROM SOURCES OTHER THAN THE
10 CONSUMER;

11 (B) THE OTHER SOURCES THAT HAVE BEEN OR MAY BE USED TO
12 COLLECT PERSONAL DATA;

13 (C) THE CATEGORIES OF THE CONSUMER'S PERSONAL DATA THAT
14 THE LICENSEE OR A PROCESSOR HAVE PROCESSED OR MAY PROCESS,
15 INCLUDING EXAMPLES OF THE DATA IN EACH CATEGORY;

16 (D) THE PURPOSES FOR WHICH THE LICENSEE PROCESSES THE
17 CONSUMER'S PERSONAL DATA;

18 (E) THAT THE LICENSEE AND A PROCESSOR MAY SHARE THE
19 CONSUMER'S PERSONAL DATA FOR PURPOSES OF THE INSURANCE
20 TRANSACTION;

21 (F) THE CATEGORIES OF PERSONS WITH WHOM THE LICENSEE OR A
22 PROCESSOR HAS SHARED, OR MAY SHARE, THE CONSUMER'S PERSONAL
23 DATA;

24 (G) THAT THE CONSUMER MAY, UPON REQUEST, ANNUALLY
25 OBTAIN A LIST OF PERSONS WITH WHOM THE LICENSEE OR A PROCESSOR
26 HAS SHARED THE CONSUMER'S PERSONAL DATA WITHIN THE LAST TWELVE
27 MONTHS;

1 (H) THAT THE CONSUMER'S PRIOR CONSENT IS REQUIRED FOR THE
2 LICENSEE OR A PROCESSOR TO PROCESS THE CONSUMER'S PERSONAL DATA
3 FOR ANY PURPOSES UNRELATED TO THE INSURANCE TRANSACTION OR TO
4 SELL PERSONAL DATA;

5 (I) A STATEMENT OF THE CONSUMER'S RIGHTS OF NONRETALIATION
6 ESTABLISHED PURSUANT TO SUBSECTION (13) OF THIS SECTION;

7 (J) A STATEMENT OF THE RIGHTS OF THE CONSUMER TO ACCESS,
8 CORRECT, AMEND, OR DELETE PERSONAL DATA ABOUT THE CONSUMER,
9 AND THE INSTRUCTIONS FOR EXERCISING THOSE RIGHTS;

10 (K) A STATEMENT OF THE RIGHTS OF THE CONSUMER TO RECEIVE
11 NOTICE REGARDING AN ADVERSE UNDERWRITING DECISION, INCLUDING
12 THE REASONS FOR THE ADVERSE UNDERWRITING DECISION, THE SPECIFIC
13 DATA UNDERLYING THE ADVERSE UNDERWRITING DECISION, AND THE
14 SOURCES OF THE DATA;

15 (L) A STATEMENT OF THE CONSUMER'S RIGHT TO PROVIDE
16 CONSENT BEFORE THE CONSUMER'S PERSONAL DATA MAY BE PROCESSED
17 IN A JURISDICTION OUTSIDE OF THE UNITED STATES OR ITS TERRITORIES;
18 EXCEPT THAT THE REQUIREMENT IN THIS SUBSECTION (5)(b)(II)(L) DOES
19 NOT APPLY IF THE ONLY SHARING OR PROCESSING IS IN CONNECTION WITH
20 A REINSURANCE TRANSACTION OR WITH AN AFFILIATE OF THE LICENSEE;

21 (M) HOW A CONSUMER MAY CONTACT A LICENSEE BY MAIL,
22 TELEPHONE, AND ACTIVE EMAIL ADDRESS OR OTHER ONLINE MECHANISM;
23 AND

24 (N) ADDITIONAL ITEMS THAT THE COMMISSIONER SPECIFIES BY
25 RULE.

26 (III) IF THE LICENSEE INTENDS TO SHARE A CONSUMER'S PERSONAL
27 DATA FOR PURPOSES UNRELATED TO THE INSURANCE TRANSACTION OR TO

1 SELL PERSONAL DATA, IN ADDITION TO THE INFORMATION REQUIRED
2 PURSUANT TO SUBSECTION (5)(b)(II) OF THIS SECTION, THE CONSUMER
3 PRIVACY NOTICE MUST INCLUDE:

4 (A) A DESCRIPTION OF THE REASONABLE MEANS BY WHICH A
5 CONSUMER MAY OPT IN OR OTHERWISE INDICATE THEIR CONSENT FOR ANY
6 ONE OR MORE OF THOSE PURPOSES; AND

7 (B) THAT ONCE THE CONSUMER CONSENTS TO THE SHARING OR
8 SALE OF PERSONAL DATA, THE CONSUMER MAY REVOKE THE CONSENT AT
9 ANY TIME AND THAT THE LICENSEE WILL NO LONGER SHARE OR SELL THE
10 CONSUMER'S PERSONAL DATA FOR THOSE PURPOSES.

11 (IV) THE OBLIGATIONS IMPOSED BY THIS SECTION UPON A
12 LICENSEE MAY BE SATISFIED BY ANOTHER LICENSEE OR A PROCESSOR
13 AUTHORIZED TO ACT ON THE LICENSEE'S BEHALF.

14 (c) A LICENSEE AND PROCESSOR SHALL TAKE REASONABLE STEPS
15 TO SECURE PERSONAL DATA DURING BOTH STORAGE AND USE FROM
16 UNAUTHORIZED ACQUISITION. A LICENSEE'S DATA SECURITY PRACTICES
17 MUST BE APPROPRIATE TO THE VOLUME, SCOPE, AND NATURE OF THE
18 PERSONAL DATA PROCESSED TO TRANSACT HOMEOWNER'S INSURANCE
19 BUSINESS.

20 **(6) Form of consent.**

21 (a) TO COMPLY WITH THE OPT-IN OR CONSENT REQUIREMENTS OF
22 THIS SECTION, A LICENSEE OR PROCESSOR SHALL USE A METHOD OF
23 CAPTURING A CONSUMER'S CONSENT THAT IS CAPABLE OF BEING
24 RECORDED OR MAINTAINED FOR AS LONG AS THE LICENSEE HAS A BUSINESS
25 RELATIONSHIP WITH A CONSUMER OR A METHOD REQUIRED PURSUANT TO
26 THIS SECTION.

27 (b) A LICENSEE SHALL NOT REQUIRE A CONSUMER TO CREATE A

1 NEW ACCOUNT IN ORDER TO EXERCISE A RIGHT SPECIFIED IN SUBSECTION
2 (4) OR (5) OF THIS SECTION.

3 (c) (I) WHEN A CONSUMER HAS A CHOICE TO OPT IN OR PROVIDE
4 PRIOR CONSENT PURSUANT TO THIS SECTION, THE FORM USED TO OBTAIN
5 THE CONSUMER'S CONSENT MUST:

6 (A) BE WRITTEN IN PLAIN LANGUAGE;

7 (B) BE DATED AND, IF THE CONSENT RELATES TO THE SHARING OR
8 USE OF PERSONAL DATA OF A CONSUMER WITH WHOM THE LICENSEE HAS
9 NO ONGOING RELATIONSHIP PURSUANT TO A CLAIM UNDER THE LICENSEE'S
10 POLICY, CONTAIN A TERMINATION DATE FOR THE CONSENT;

11 (C) NAME THE LICENSEE THAT THE CONSUMER AUTHORIZES TO
12 SHARE THE CONSUMER'S PERSONAL DATA;

13 (D) SPECIFY TO WHOM THE CONSUMER'S PERSONAL DATA WILL BE
14 SHARED CONSISTENT WITH THIS SECTION;

15 (E) SPECIFY THE TYPES AND USES OF THE PERSONAL DATA THAT
16 THE CONSUMER IS AUTHORIZING TO BE SHARED;

17 (F) ADVISE THE CONSUMER THAT THE CONSUMER IS ENTITLED TO
18 RECEIVE A COPY OF THE FORM CONTAINING THE CONSUMER'S CONSENT;

19 (G) EXPLAIN THAT, PURSUANT TO SUBSECTION (13) OF THIS
20 SECTION, THE CONSUMER IS PROTECTED FROM RETALIATION,
21 DISCRIMINATION, OR DISPARATE TREATMENT BASED ON THE CONSUMER'S
22 DECISION TO PROVIDE OR WITHHOLD CONSENT; AND

23 (H) INCLUDE ADDITIONAL DATA OR ELEMENTS SPECIFIED BY THE
24 COMMISSIONER BY RULE.

25 (II) THE CONSUMER'S MOST RECENT CONSENT SHALL TAKE
26 PRECEDENCE OVER ANY PRIOR CONSENT.

27 (III) A CONSUMER'S CONSENT GIVEN PURSUANT TO THIS SECTION

1 IS EFFECTIVE UNTIL IT IS REVOKED BY THE CONSUMER, BUT CONSENT
2 PROVIDED BY A CONSUMER WITH WHOM A LICENSEE HAS NO ONGOING
3 CUSTOMER RELATIONSHIP IS ONLY VALID FOR THE DURATION SPECIFIED ON
4 THE CONSENT DOCUMENT.

5 (IV) IF A CONSUMER ESTABLISHES A NEW RELATIONSHIP WITH A
6 LICENSEE, ANY CONSENT THAT APPLIED TO THE FORMER RELATIONSHIP
7 DOES NOT APPLY TO THE NEW RELATIONSHIP. A NEW RELATIONSHIP
8 OCCURS WHEN THE CONSUMER WHO PREVIOUSLY ENDED ALL BUSINESS
9 RELATIONSHIPS WITH A LICENSEE REESTABLISHES A BUSINESS
10 RELATIONSHIP MORE THAN THIRTY DAYS AFTER THE PREVIOUS BUSINESS
11 RELATIONSHIP ENDED.

12 (V) IF TWO OR MORE CONSUMERS JOINTLY OBTAIN HOMEOWNER'S
13 INSURANCE OR ANOTHER PRODUCT OR SERVICE FROM A LICENSEE, THE
14 LICENSEE OR A PROCESSOR MAY PROVIDE A SINGLE CONSENT NOTICE.
15 EACH OF THE JOINT CONSUMERS SHALL INDICATE THEIR CONSENT.

16 **(7) Designated agent - authorization.**

17 (a) A CONSUMER MAY DESIGNATE ANOTHER PERSON, ACTING ON
18 THE CONSUMER'S BEHALF TO EXERCISE THE CONSUMER'S RIGHTS,
19 INCLUDING PROVIDING CONSENT WHERE REQUIRED AND OPTING IN TO
20 LICENSEE OR PROCESSOR ACTIONS SPECIFIED IN SUBSECTIONS (4) AND (5)
21 OF THIS SECTION.

22 (b) A LICENSEE OR PROCESSOR SHALL COMPLY WITH ACTIONS
23 TAKEN BY A CONSUMER'S DESIGNATED AGENT IF THE LICENSEE IS ABLE TO
24 AUTHENTICATE, WITH COMMERCIALY REASONABLE EFFORT, THE
25 IDENTITY OF THE CONSUMER AND THE AUTHORITY OF THE AUTHORIZED
26 AGENT TO ACT ON THE CONSUMER'S BEHALF.

27 **(8) Requirements for processing consumer's personal data -**

1 **prohibitions.**

2 (a) A LICENSEE SHALL NOT PROCESS A CONSUMER'S PERSONAL
3 DATA UNLESS:

4 (I) THE PROCESSING, RETENTION, OR SHARING OF THE CONSUMER'S
5 PERSONAL DATA IS CONSISTENT WITH AND COMPLIES WITH THE MOST
6 RECENT DATA PRIVACY NOTICE PROVIDED TO THE CONSUMER BY THE
7 LICENSEE PURSUANT TO SUBSECTION (5) OF THIS SECTION; AND

8 (II) THE PROCESSING AND RETENTION OF THE CONSUMER'S
9 PERSONAL DATA IS REASONABLY NECESSARY AND PROPORTIONATE TO
10 ACHIEVE THE PURPOSES RELATED TO A HOMEOWNER'S INSURANCE
11 TRANSACTION OR OTHER PURPOSE THE CONSUMER REQUESTED OR
12 AUTHORIZED AND NOT FURTHER PROCESSED IN A MANNER THAT IS
13 INCOMPATIBLE WITH THOSE PURPOSES.

14 (b) A LICENSEE SHALL NOT PERMIT AN EMPLOYEE TO PROCESS,
15 RETAIN, OR SHARE A CONSUMER'S PERSONAL DATA, EXCEPT AS RELEVANT
16 AND NECESSARY AS PART OF THAT EMPLOYEE'S ASSIGNED DUTIES.

17 (c) A REINSURER, PROCESSOR, OR SURPLUS LINE INSURER SHALL
18 NOT PROCESS A CONSUMER'S PERSONAL DATA UNLESS:

19 (I) THE PROCESSING IS IN COMPLIANCE WITH THIS SECTION;

20 (II) THE PROCESSING OF THE CONSUMER'S PERSONAL DATA IS
21 CONSISTENT WITH AND COMPLIES WITH THE MOST RECENT PRIVACY
22 NOTICE PROVIDED BY THE REINSURER, PROCESSOR, OR SURPLUS LINE
23 INSURER ON ITS INTERNET WEBSITE;

24 (III) WITH RESPECT TO REINSURERS, THE PROCESSING OF THE
25 CONSUMER'S PERSONAL DATA IS REASONABLY NECESSARY AND
26 PROPORTIONATE TO ACHIEVE THE PURPOSES RELATED TO THE
27 REINSURANCE TRANSACTION AND NOT FURTHER PROCESSED IN A MANNER

1 THAT IS INCOMPATIBLE WITH THOSE PURPOSES; AND

2 (IV) WITH RESPECT TO PROCESSORS AND SURPLUS LINE INSURERS,
3 THE PROCESSING OF THE CONSUMER'S PERSONAL DATA IS REASONABLY
4 NECESSARY AND PROPORTIONATE TO ACHIEVE THE PURPOSES RELATED TO
5 THE PURPOSES FOR WHICH THE PROCESSOR OR SURPLUS LINE INSURER
6 COLLECTED THE DATA AND NOT FURTHER PROCESSED IN A MANNER THAT
7 IS INCOMPATIBLE WITH THOSE PURPOSES.

8 (d) OTHER THAN PROCESSING PURSUANT TO A CONTRACT WITH A
9 LICENSEE PURSUANT TO SUBSECTION (10) OF THIS SECTION, A REINSURER,
10 PROCESSOR, OR SURPLUS LINE INSURER SHALL NOT PROCESS A CONSUMER'S
11 PERSONAL DATA OBTAINED IN THE BUSINESS OF INSURANCE FOR A
12 PURPOSE UNRELATED TO AN INSURANCE TRANSACTION.

13 (9) **Authorized processing of personal data.**

14 (a) CONSISTENT WITH THIS SECTION, A LICENSEE MAY PROCESS A
15 CONSUMER'S PERSONAL DATA AS NECESSARY FOR THE FOLLOWING
16 PURPOSES:

17 (I) IN CONNECTION WITH AN INSURANCE TRANSACTION;

18 (II) FOR COMPLIANCE WITH A REQUEST OR DIRECTIVE FROM A LAW
19 ENFORCEMENT AGENCY OR INSURANCE REGULATORY AUTHORITY OR AN
20 ADMINISTRATIVE, CRIMINAL, OR CIVIL LEGAL PROCESS, ARBITRATION, OR
21 OTHER LEGAL REQUIREMENT OR ORDER THAT IS BINDING UPON THE
22 LICENSEE;

23 (III) WHEN SPECIFICALLY REQUIRED BY STATE LAW;

24 (IV) FOR A LIENHOLDER, MORTGAGEE, ASSIGNEE, LESSOR, OR
25 OTHER PERSON SHOWN IN THE RECORDS OF A LICENSEE AS HAVING A
26 LEGAL OR BENEFICIAL INTEREST IN AN INSURANCE POLICY, TO PROTECT
27 THAT INTEREST, IF THE PERSONAL DATA SHARED IS LIMITED TO WHAT IS

1 REASONABLY NECESSARY TO PROTECT THE REQUESTOR'S LEGAL INTERESTS
2 IN THE POLICY;

3 (V) TO PERMIT A PARTY OR A REPRESENTATIVE OF A PARTY TO A
4 PROPOSED OR CONSUMMATED SALE, TRANSFER, MERGER, OR
5 CONSOLIDATION OF ALL OR PART OF THE BUSINESS OF THE LICENSEE TO
6 REVIEW THE PERSONAL DATA NECESSARY FOR THE TRANSACTION, IF:

7 (A) BEFORE THE CONSUMMATION OF THE SALE, TRANSFER,
8 MERGER, OR CONSOLIDATION, PERSONAL DATA IS ONLY SHARED AS IS
9 REASONABLY NECESSARY TO ENABLE THE RECIPIENT TO MAKE BUSINESS
10 DECISIONS ABOUT THE SALE, TRANSFER, MERGER, OR CONSOLIDATION;
11 AND

12 (B) THE RECIPIENT AGREES NOT TO SHARE THE ACQUIRED
13 PERSONAL DATA FOR PURPOSES OTHER THAN THE SALE, TRANSFER,
14 MERGER, OR CONSOLIDATION;

15 (VI) IN CONNECTION WITH THE MARKETING OF A PRODUCT OR
16 SERVICE, AFTER RECEIVING AFFIRMATIVE CONSENT FROM THE CONSUMER
17 TO USE THE CONSUMER'S PERSONAL DATA IN CONNECTION WITH THE
18 SPECIFIC MARKETING ACTIVITY TO WHICH THE CONSUMER HAS
19 CONSENTED;

20 (VII) IN CONNECTION WITH THE JOINT MARKETING OF COBRANDED
21 FINANCIAL PRODUCTS OR SERVICES BETWEEN A LICENSEE AND A
22 FINANCIAL INSTITUTION, IF:

23 (A) THE CONSUMER OPTS IN TO THE JOINT MARKETING ACTIVITY;

24 (B) PERSONAL DATA IS ONLY PROCESSED PURSUANT TO A
25 CONTRACT COMPLYING WITH THE REQUIREMENTS OF SUBSECTION (10) OF
26 THIS SECTION; AND

27 (C) ONLY THE FOLLOWING ELEMENTS OF PERSONAL DATA ARE

1 SHARED AND PROCESSED FOR PURPOSES OF THE JOINT MARKETING: THE
2 CONSUMER'S NAME, ADDRESS OR EMAIL ADDRESS, FINANCIAL INSTITUTION
3 AFFILIATION, AND ACCOUNT TYPE; AND

4 (VIII) ADDITIONAL PURPOSES SPECIFIED BY THE COMMISSIONER BY
5 RULE.

6 (b) A LICENSEE MAY PROCESS A CONSUMER'S DE-IDENTIFIED DATA.

7 (c) THIS SUBSECTION (9) DOES NOT PROHIBIT THE SHARING OF A
8 CONSUMER'S PERSONAL DATA WITH A LICENSEE'S AFFILIATES TO THE
9 EXTENT PREEMPTED BY SECTION 15 U.S.C. SEC. 1681t (b)(1)(H) OR 1681t
10 (b)(2).

11 (10) **Contracts between licensees and processors.**

12 (a) A LICENSEE SHALL EXERCISE DUE DILIGENCE IN SELECTING AND
13 OVERSEEING THE LICENSEE'S PROCESSORS. A LICENSEE SHALL DEVELOP
14 WRITTEN PROCEDURES FOR THE SELECTION AND OVERSIGHT OF
15 PROCESSORS AND SHALL MAKE THE PROCEDURES AVAILABLE TO THE
16 COMMISSIONER UPON REQUEST. A LICENSEE'S PROCEDURES DEVELOPED
17 PURSUANT TO THIS SUBSECTION (10) ARE NOT A PUBLIC RECORD AND ARE
18 EXEMPT FROM PUBLIC INSPECTION AND COPYING UNDER THE "COLORADO
19 OPEN RECORDS ACT", PART 2 OF ARTICLE 72 OF TITLE 24.

20 (b) PROCESSING BY A PROCESSOR MUST BE GOVERNED BY A
21 CONTRACT BETWEEN THE LICENSEE AND THE PROCESSOR THAT IS BINDING
22 ON BOTH PARTIES. THE CONTRACT MUST CONTAIN CLEAR INSTRUCTIONS
23 FOR PROCESSING PERSONAL DATA, THE NATURE AND PURPOSE OF
24 PROCESSING, THE TYPES OF PERSONAL DATA SUBJECT TO PROCESSING, THE
25 DURATION OF PROCESSING, AND THE RIGHTS AND OBLIGATIONS OF BOTH
26 PARTIES. THE CONTRACT MUST ALSO INCLUDE REQUIREMENTS THAT THE
27 PROCESSOR DO ALL OF THE FOLLOWING:

1 (I) ENSURE THAT EACH PERSON PROCESSING PERSONAL DATA IS
2 SUBJECT TO A DUTY OF CONFIDENTIALITY WITH RESPECT TO THE PERSONAL
3 DATA AND ONLY USES THE PERSONAL DATA FOR LEGITIMATE DUTIES AS
4 ASSIGNED;

5 (II) DEVELOP AND MAINTAIN A PROGRAM OF ADMINISTRATIVE,
6 TECHNICAL, AND PHYSICAL SAFEGUARDS SUFFICIENT TO ENSURE THE
7 CONFIDENTIALITY, INTEGRITY, AND AVAILABILITY OF PERSONAL DATA
8 PROVIDED BY THE LICENSEE;

9 (III) PROMPTLY REPORT TO THE LICENSEE AND THE COMMISSIONER
10 ANY INCIDENT AFFECTING THE CONFIDENTIALITY, INTEGRITY, OR
11 AVAILABILITY OF PERSONAL DATA, INCLUDING A BREACH IN THE SECURITY
12 OF PERSONAL DATA;

13 (IV) AT THE CHOICE OF THE LICENSEE, DELETE OR RETURN ALL
14 PERSONAL DATA TO THE LICENSEE AS REQUESTED AT THE END OF THE
15 PROVISION OF SERVICES, UNLESS RETENTION OF THE PERSONAL DATA IS
16 REQUIRED BY LAW OR THE LICENSEE REQUESTS AN EARLIER DELETION
17 DATE;

18 (V) UPON THE REASONABLE REQUEST OF THE LICENSEE, MAKE
19 AVAILABLE TO THE LICENSEE ALL INFORMATION IN THE PROCESSOR'S
20 POSSESSION NECESSARY TO DEMONSTRATE THE PROCESSOR'S COMPLIANCE
21 WITH THIS SECTION;

22 (VI) PROVIDE REASONABLE ASSISTANCE TO THE COMMISSIONER
23 WITH RESPECT TO AN INVESTIGATION OR PROCEEDING PURSUANT TO THIS
24 SECTION OR TO THE LICENSEE WITH RESPECT TO A CONSUMER REQUEST
25 PURSUANT TO THIS SECTION;

26 (VII) ENGAGE A SUBCONTRACTOR PURSUANT TO A WRITTEN
27 CONTRACT THAT REQUIRES THE SUBCONTRACTOR TO COMPLY WITH THE

1 SAME OBLIGATIONS AS THE PROCESSOR WITH RESPECT TO THE PERSONAL
2 DATA;

3 (VIII) NOT FURTHER PROCESS OR DISCLOSE THE PERSONAL DATA
4 OBTAINED FROM OR ON BEHALF OF THE LICENSEE OTHER THAN AS
5 SPECIFICALLY STATED IN THE CONTRACT; AND

6 (IX) PROMPTLY NOTIFY THE LICENSEE IF THE PROCESSOR IS NO
7 LONGER ABLE TO COMPLY WITH THE PROCESSOR'S OBLIGATIONS UNDER
8 THE CONTRACT, IN WHICH CASE THE LICENSEE HAS THE RIGHT TO
9 TERMINATE THE CONTRACT.

10 (c) NOTWITHSTANDING SUBSECTION (10)(b) OF THIS SECTION, IN
11 CONNECTION WITH AN INSURANCE TRANSACTION, A LICENSEE MAY SHARE
12 A CONSUMER'S PERSONAL DATA WITH A PROCESSOR WITH WHICH THE
13 LICENSEE HAS NO ONGOING BUSINESS RELATIONSHIP AND WITH WHICH THE
14 LICENSEE HAS NO WRITTEN CONTRACT UPON RECEIVING THE CONSENT OF
15 THE CONSUMER AND ONLY TO THE EXTENT NECESSARY TO PROVIDE THE
16 TEMPORARY SERVICE REQUESTED BY THE LICENSEE ON BEHALF OF THE
17 CONSUMER.

18 (d) A PROCESSOR SHALL ALLOW FOR, AND CONTRIBUTE TO,
19 REASONABLE AUDITS AND INSPECTIONS BY THE LICENSEE OR THE
20 LICENSEE'S DESIGNATED AUDITOR. ALTERNATIVELY, THE PROCESSOR MAY,
21 WITH THE LICENSEE'S CONSENT, ARRANGE FOR A QUALIFIED AND
22 INDEPENDENT AUDITOR TO CONDUCT, AT LEAST ANNUALLY AND AT THE
23 PROCESSOR'S EXPENSE, AN AUDIT OF THE PROCESSOR'S POLICIES AND
24 TECHNICAL AND ORGANIZATIONAL MEASURES IN SUPPORT OF THE
25 OBLIGATIONS UNDER THIS SECTION USING AN APPROPRIATE AND ACCEPTED
26 CONTROL STANDARD OR FRAMEWORK AND AUDIT PROCEDURE FOR THE
27 AUDITS AS APPLICABLE. THE PROCESSOR SHALL PROVIDE A REPORT OF THE

1 AUDIT TO THE LICENSEE UPON REQUEST.

2 (e) THIS SUBSECTION (10) APPLIES TO A CONTRACT BETWEEN A
3 LICENSEE AND A PROCESSOR THAT IS EXECUTED, AMENDED, OR RENEWED
4 ON OR AFTER JANUARY 1, 2028. IF A LICENSEE HAS AN IN-FORCE
5 CONTRACT WITH A PROCESSOR THAT PROCESSES, RETAINS, OR SHARES ANY
6 CONSUMER'S PERSONAL DATA AND THE CONTRACT HAS NOT BEEN
7 RENEWED AFTER THE EFFECTIVE DATE OF THIS SECTION, THE LICENSEE
8 SHALL NOTIFY THE PROCESSOR OF THE REQUIREMENTS OF THIS SECTION.

9 (f) IN NO EVENT MAY A CONTRACT RELIEVE A LICENSEE OR A
10 PROCESSOR FROM THE LIABILITIES IMPOSED ON THEM BY VIRTUE OF THEIR
11 ROLE IN THE PROCESSING RELATIONSHIP AS DESCRIBED IN THIS SECTION.

12 **(11) Retention of personal data.**

13 (a) A LICENSEE OR PROCESSOR MAY RETAIN A CONSUMER'S
14 PERSONAL DATA AS NECESSARY FOR ANY OF THE FOLLOWING:

15 (I) PERFORMANCE OF A HOMEOWNER'S INSURANCE TRANSACTION,
16 PRODUCT, OR SERVICE WITH A CONSUMER WHO IS IN AN ONGOING BUSINESS
17 RELATIONSHIP WITH THE LICENSEE AND WHO, IF REQUIRED, HAS
18 CONSENTED TO OR OPTED IN TO THE PRODUCT OR SERVICE;

19 (II) COMPLIANCE WITH A LEGAL OBLIGATION OF THE LICENSEE
20 RELATED TO THE INSURANCE TRANSACTION INVOLVING THE CONSUMER'S
21 PERSONAL DATA;

22 (III) COMPLIANCE WITH A REQUEST OR DIRECTIVE FROM A LAW
23 ENFORCEMENT AGENCY OR STATE, FEDERAL, OR INTERNATIONAL
24 REGULATORY AUTHORITY; A WARRANT, A SUBPOENA, A DISCOVERY
25 REQUEST, A JUDICIAL ORDER, OR OTHER ADMINISTRATIVE, CRIMINAL, OR
26 CIVIL LEGAL PROCESS; OR ANOTHER LEGAL REQUIREMENT THAT IS BINDING
27 UPON A LICENSEE;

1 (IV) PROTECTION OF A LEGAL OR BENEFICIAL INTEREST IN AN
2 INSURANCE POLICY, WITH RESPECT TO A LIENHOLDER, A MORTGAGEE, AN
3 ASSIGNEE, A LESSOR, OR OTHER PERSON SHOWN ON THE RECORDS OF A
4 LICENSEE AS HAVING A LEGAL OR BENEFICIAL INTEREST IN THE INSURANCE
5 POLICY;

6 (V) EXEMPT RESEARCH ACTIVITIES RELATED TO AN INSURANCE
7 TRANSACTION INVOLVING THE CONSUMER'S PERSONAL DATA, OR FOR
8 RATING OR RISK MANAGEMENT PURPOSES FOR OR ON BEHALF OF THE
9 LICENSEE IN CONNECTION WITH A HOMEOWNER'S INSURANCE PRODUCT OR
10 SERVICE;

11 (VI) IDENTIFICATION OF BENEFICIARIES OF UNCLAIMED INSURANCE
12 POLICY BENEFITS; AND

13 (VII) OTHER PURPOSES THAT THE COMMISSIONER IDENTIFIES BY
14 RULE.

15 (b) (I) NOT LESS THAN ANNUALLY, A LICENSEE AND PROCESSOR
16 SHALL REVIEW ANY RECORDS CONTAINING PERSONAL DATA TO DETERMINE
17 WHETHER ANY OF THE PURPOSES SPECIFIED IN SUBSECTION (11)(a) OF THIS
18 SECTION PERMIT THE CONTINUING RETENTION OF A CONSUMER'S PERSONAL
19 DATA.

20 (II) ONCE A LICENSEE HAS DETERMINED THAT A CONSUMER'S
21 PERSONAL DATA, OR A SPECIFIC ELEMENT OF PERSONAL DATA, IS NO
22 LONGER NEEDED, THE LICENSEE SHALL DESTROY THE CONSUMER'S
23 PERSONAL DATA WITHIN NINETY DAYS AFTER MAKING THE
24 DETERMINATION.

25 (III) SUBJECT TO THE APPROVAL OF THE COMMISSIONER, IF A
26 LICENSEE'S SYSTEMS DO NOT ALLOW THE TARGETED DESTRUCTION OF
27 PERSONAL DATA, THE LICENSEE SHALL:

1 (A) DEVELOP A WRITTEN PLAN THAT PROVIDES FOR
2 TRANSITIONING FROM THE EXISTING SYSTEMS WITHIN A REASONABLE TIME
3 FRAME; AND

4 (B) REPORT PROGRESS TO THE COMMISSIONER.

5 (IV) A LICENSEE SHALL DEVELOP A WRITTEN DATA RETENTION
6 POLICY AND DATA RETENTION SCHEDULE AND SHALL MAKE THE POLICY
7 AND SCHEDULE AVAILABLE TO THE COMMISSIONER UPON REQUEST.

8 (V) UNLESS RETENTION OF THE PERSONAL DATA IS OTHERWISE
9 REQUIRED BY LAW, A PROCESSOR IN POSSESSION OF A CONSUMER'S
10 PERSONAL DATA PROVIDED BY A LICENSEE SHALL DELETE THAT DATA AS
11 OF THE DATE SPECIFIED IN THE CONTRACT BETWEEN THE LICENSEE AND A
12 THIRD-PARTY SERVICE PROVIDER, OR UPON THE CONCLUSION OF THE
13 PROVISION OF SERVICES, UNLESS THE LICENSEE SPECIFIES AN EARLIER
14 DESTRUCTION DATE.

15 (VI) THIS SUBSECTION (11)(b) DOES NOT PERMIT OR REQUIRE THE
16 DELETION OF A RECORD THAT IS REQUIRED BY LAW TO BE RETAINED.

17 **(12) Adverse underwriting decision - consumer rights.**

18 (a) (I) IN THE EVENT OF AN ADVERSE UNDERWRITING DECISION
19 RELATING TO A HOMEOWNER'S INSURANCE TRANSACTION, THE LICENSEE
20 RESPONSIBLE FOR THE DECISION SHALL PROVIDE IN WRITING TO THE
21 CONSUMER AT THE CONSUMER'S ADDRESS OF RECORD AND, IF KNOWN, THE
22 EMAIL ADDRESS OF THE CONSUMER:

23 (A) THE SPECIFIC REASON OR REASONS FOR THE ADVERSE
24 UNDERWRITING DECISION;

25 (B) THE SPECIFIC ITEMS OF PERSONAL, PUBLICLY AVAILABLE, OR
26 PRIVILEGED DATA THAT SUPPORT THOSE REASONS, INCLUDING THE NAMES
27 AND ADDRESSES OF THE SOURCES THAT SUPPLIED THE DATA THAT

1 RESULTED IN THE ADVERSE UNDERWRITING DECISION;

2 (C) A LIST IDENTIFYING WITH REASONABLE SPECIFICITY ANY
3 SYSTEMS, PROCESSES, POLICIES, OR PROCEDURES INVOLVED IN
4 GENERATING DATA THAT RESULTED IN THE ADVERSE UNDERWRITING
5 DECISION; AND

6 (D) A SUMMARY OF THE CONSUMER'S RIGHT TO ACCESS, CORRECT,
7 AMEND, OR DELETE PERSONAL DATA PURSUANT TO SUBSECTION (4) OF
8 THIS SECTION.

9 (II) NOTWITHSTANDING SUBSECTION (12)(a)(I)(B) OF THIS
10 SECTION, A LICENSEE IS NOT REQUIRED TO FURNISH SPECIFIC PRIVILEGED
11 DATA IF THE LICENSEE HAS A REASONABLE SUSPICION, BASED UPON
12 SPECIFIC INFORMATION AVAILABLE FOR REVIEW BY THE COMMISSIONER,
13 THAT THE CONSUMER HAS ENGAGED IN CRIMINAL ACTIVITY, FRAUD,
14 MATERIAL MISREPRESENTATION, OR A MATERIAL NONDISCLOSURE AND
15 THAT THE DATA WITHHELD RELATES TO THE SUSPECTED CRIMINAL
16 ACTIVITY, FRAUD, MATERIAL MISREPRESENTATION, OR MATERIAL
17 NONDISCLOSURE.

18 (b) A LICENSEE SHALL NOT BASE AN ADVERSE UNDERWRITING
19 DECISION ON:

20 (I) SOLELY THE LOSS HISTORY OF THE PREVIOUS OWNER OF THE
21 PROPERTY TO BE INSURED;

22 (II) PERSONAL DATA RECEIVED FROM A PROCESSOR WHOSE
23 PRIMARY SOURCE OF INFORMATION IS LICENSEES, UNLESS THE LICENSEE
24 OBTAINS FURTHER DATA INDEPENDENTLY SUPPORTING THE ADVERSE
25 UNDERWRITING DECISION;

26 (III) A PREVIOUS ADVERSE UNDERWRITING DECISION AFFECTING
27 THE CONSUMER, UNLESS THE LICENSEE BASES ITS UNDERWRITING DECISION

1 ON THE UNDERLYING BASIS OF THE PREVIOUS DECISION; OR

2 (IV) INFORMATION THAT THE CONSUMER INQUIRED ABOUT THE
3 NATURE OR SCOPE OF COVERAGE UNDER A POLICY AND THE INQUIRY DID
4 NOT RESULT IN THE FILING OF A CLAIM.

5 (c) THE COMMISSIONER MAY ASSIST A CONSUMER WITH OBTAINING
6 INFORMATION ABOUT AN ADVERSE UNDERWRITING DECISION AFFECTING
7 THE CONSUMER. THE COMMISSIONER MAY REQUEST INFORMATION
8 REGARDING SYSTEMS, PROCESSES, POLICIES, OR PROCEDURES RESPONSIBLE
9 FOR GENERATING THE DATA THAT RESULTED IN THE ADVERSE
10 UNDERWRITING DECISION. INFORMATION RECEIVED ABOUT SYSTEMS,
11 PROCESSES, POLICIES, OR PROCEDURES IS CONFIDENTIAL AND IS EXEMPT
12 FROM PUBLIC INSPECTION AND COPYING UNDER THE "COLORADO OPEN
13 RECORDS ACT", PART 2 OF ARTICLE 72 OF TITLE 24.

14 (d) FOR PURPOSES OF THIS SECTION, THE FOLLOWING ACTIONS ARE
15 NOT ADVERSE UNDERWRITING DECISIONS, BUT THE LICENSEE RESPONSIBLE
16 FOR TAKING THE ACTION SHALL PROVIDE THE CONSUMER WITH THE
17 SPECIFIC REASON OR REASONS FOR THE ACTION IN WRITING:

18 (I) THE TERMINATION OF AN INDIVIDUAL POLICY FORM ON A
19 CLASS-WIDE OR STATEWIDE BASIS;

20 (II) A DENIAL OF INSURANCE COVERAGE SOLELY BECAUSE THE
21 COVERAGE IS NOT AVAILABLE ON A CLASS-WIDE OR STATEWIDE BASIS; OR

22 (III) IF REQUESTED BY A CONSUMER, ANY INSURER-INITIATED
23 INCREASE IN THE PREMIUM ON AN INSURANCE PRODUCT PURCHASED BY
24 THE CONSUMER.

25 (13) **Nonretaliation for exercise of privacy rights.** A LICENSEE
26 OR PROCESSOR SHALL NOT RETALIATE AGAINST A CONSUMER BECAUSE THE
27 CONSUMER EXERCISED OR ATTEMPTED TO EXERCISE THE CONSUMER'S

1 RIGHTS PURSUANT TO THIS SECTION. A LICENSEE OR PROCESSOR
2 RETALIATES AGAINST A CONSUMER IF THE LICENSEE OR PROCESSOR, AS A
3 RESULT OF A CONSUMER'S PRIVACY CHOICES:

4 (a) INFRINGES UPON A RIGHT, OR IMPAIRS OR IMPEDES A BENEFIT
5 OR PROTECTION, THAT IS AFFORDED TO CONSUMERS UNDER THIS SECTION;

6 (b) REQUIRES THE CONSUMER TO CONSENT TO THE SHARING OR
7 SALE OF PERSONAL DATA FOR A PURPOSE UNRELATED TO AN INSURANCE
8 TRANSACTION TO OBTAIN A PARTICULAR PRODUCT, COVERAGE, RATE, OR
9 SERVICE, AND THE PERSONAL DATA IS NOT NECESSARY FOR THE PROVISION
10 OF THE PRODUCT OR SERVICE;

11 (c) IMPOSES A FEE OR CHARGE FOR THE CONSUMER TO EXERCISE
12 THEIR RIGHTS PURSUANT TO THIS SECTION; OR

13 (d) CHARGES A DIFFERENT RATE OR PREMIUM TO THE CONSUMER,
14 PROVIDES A DIFFERENT INSURANCE PRODUCT TO THE CONSUMER, REFUSES
15 TO WRITE INSURANCE COVERAGE FOR THE CONSUMER, OR DENIES A CLAIM
16 UNDER AN INSURANCE PRODUCT PURCHASED BY THE CONSUMER.

17 **(14) Data protection assessments - definition.**

18 (a) A LICENSEE SHALL NOT CONDUCT PROCESSING THAT PRESENTS
19 A HEIGHTENED RISK OF HARM TO A CONSUMER WITHOUT CONDUCTING AND
20 DOCUMENTING A DATA PROTECTION ASSESSMENT OF THE LICENSEE'S
21 PROCESSING ACTIVITIES THAT INVOLVE PERSONAL DATA ACQUIRED ON OR
22 AFTER JANUARY 1, 2028, AND THAT PRESENT A HEIGHTENED RISK OF HARM
23 TO A HOMEOWNER'S INSURANCE CONSUMER.

24 (b) FOR PURPOSES OF THIS SUBSECTION (14), "PROCESSING THAT
25 PRESENTS A HEIGHTENED RISK OF HARM TO A CONSUMER" INCLUDES:

26 (I) PROCESSING PERSONAL DATA FOR PURPOSES OF TARGETED
27 ADVERTISING OR FOR PROFILING, IF THE PROFILING PRESENTS A

1 REASONABLY FORESEEABLE RISK OF:

2 (A) UNFAIR OR DECEPTIVE TREATMENT OF, OR UNLAWFUL

3 DISPARATE IMPACT ON, A CONSUMER; OR

4 (B) FINANCIAL INJURY TO A CONSUMER, INCLUDING ADVERSE

5 UNDERWRITING DECISIONS;

6 (II) SELLING PERSONAL DATA; OR

7 (III) PROCESSING PERSONAL DATA.

8 (c) DATA PROTECTION ASSESSMENTS MUST IDENTIFY THE BENEFITS

9 THAT MAY FLOW, DIRECTLY OR INDIRECTLY, FROM THE PROCESSING TO

10 THE LICENSEE, THE CONSUMER, OTHER STAKEHOLDERS, AND THE PUBLIC

11 AND WEIGH THESE BENEFITS AGAINST THE POTENTIAL RISKS TO THE

12 RIGHTS OF THE CONSUMER ASSOCIATED WITH THE PROCESSING, AS

13 MITIGATED BY SAFEGUARDS THAT THE LICENSEE CAN EMPLOY TO REDUCE

14 THE RISKS. THE LICENSEE SHALL FACTOR INTO THIS ASSESSMENT THE USE

15 OF DE-IDENTIFIED DATA AND THE REASONABLE EXPECTATIONS OF

16 CONSUMERS, AS WELL AS THE CONTEXT OF THE PROCESSING AND THE

17 RELATIONSHIP BETWEEN THE LICENSEE AND THE CONSUMER WHOSE

18 PERSONAL DATA WILL BE PROCESSED.

19 (d) A LICENSEE SHALL MAKE A DATA PROTECTION ASSESSMENT

20 AVAILABLE TO THE COMMISSIONER UPON REQUEST. THE COMMISSIONER

21 MAY EVALUATE THE DATA PROTECTION ASSESSMENT FOR COMPLIANCE BY

22 A LICENSEE WITH THE DUTIES OF THE LICENSEE PURSUANT TO THIS

23 SECTION. DATA PROTECTION ASSESSMENTS ARE CONFIDENTIAL AND

24 EXEMPT FROM PUBLIC INSPECTION AND COPYING UNDER THE "COLORADO

25 OPEN RECORDS ACT", PART 2 OF ARTICLE 72 OF TITLE 24. THE

26 DISCLOSURE OF A DATA PROTECTION ASSESSMENT PURSUANT TO A

27 REQUEST FROM THE COMMISSIONER UNDER THIS SUBSECTION (14) DOES

1 NOT CONSTITUTE A WAIVER OF ANY PRIVILEGE OR PROTECTION THAT
2 MIGHT OTHERWISE EXIST WITH RESPECT TO THE ASSESSMENT AND ANY
3 INFORMATION CONTAINED IN THE ASSESSMENT.

4 (e) A SINGLE DATA PROTECTION ASSESSMENT MAY ADDRESS A
5 COMPARABLE SET OF PROCESSING OPERATIONS THAT INCLUDE SIMILAR
6 ACTIVITIES.

7 (f) DATA PROTECTION ASSESSMENTS APPLY TO PROCESSING
8 ACTIVITIES CREATED OR GENERATED ON OR AFTER JANUARY 1, 2028, AND
9 ARE NOT RETROACTIVE.

10 (15) **Rules.** THE COMMISSIONER SHALL ADOPT RULES NECESSARY
11 TO IMPLEMENT THIS SECTION, INCLUDING THE RIGHTS AND PROTECTIONS
12 AFFORDED TO HOMEOWNER'S INSURANCE CONSUMERS AND THE
13 RESPONSIBILITIES OF PERSONS INVOLVED IN HOMEOWNER'S INSURANCE
14 TRANSACTIONS.

15 (16) **Enforcement - investigation by commissioner - penalties.**

16 (a) THE COMMISSIONER MAY USE ANY OF THE COMMISSIONER'S
17 ENFORCEMENT POWERS TO OBTAIN COMPLIANCE WITH THIS SECTION. TO
18 DETERMINE WHETHER A LICENSEE OR A PROCESSOR CONTRACTED WITH A
19 LICENSEE HAS BEEN OR IS ENGAGED IN ANY CONDUCT IN VIOLATION OF
20 THIS SECTION, THE COMMISSIONER MAY EXAMINE AND INVESTIGATE THE
21 BUSINESS PRACTICES OF A LICENSEE OR PROCESSOR TRANSACTING
22 BUSINESS IN THIS STATE OR TRANSACTING BUSINESS OUTSIDE OF THIS
23 STATE THAT HAVE AN EFFECT ON A CONSUMER RESIDING IN THIS STATE.

24 (b) A VIOLATION OF THIS SECTION IS AN UNFAIR OR DECEPTIVE ACT
25 OR PRACTICE IN THE BUSINESS OF INSURANCE PURSUANT TO SECTION
26 10-3-1104 (1)(uu) AND IS SUBJECT TO SECTIONS 10-3-1106 TO 10-3-1113.

27 (17) **Consumer - private right of action - damages.**

1 (a) IN ADDITION TO OTHER REMEDIES PROVIDED AT LAW OR IN
2 EQUITY, A CONSUMER AGGRIEVED BY A VIOLATION OF SUBSECTIONS (4) TO
3 (13) OF THIS SECTION MAY BRING A CIVIL ACTION ON BEHALF OF THEMSELF
4 OR A GROUP OF SIMILARLY SITUATED CONSUMERS TO RESTRAIN FURTHER
5 VIOLATIONS AND TO RECOVER DAMAGES, COSTS, AND REASONABLE
6 ATTORNEY FEES, INCLUDING THE GREATER OF:

7 (I) THE AMOUNT OF ACTUAL DAMAGES SUSTAINED, INCLUDING
8 PREJUDGMENT INTEREST EITHER OF EIGHT PERCENT PER YEAR OR AT THE
9 RATE PROVIDED IN SECTION 13-21-101, WHICHEVER IS GREATER, FROM
10 THE DATE ON WHICH THE CLAIM UNDER THIS SECTION BEGAN ACCRUING OR
11 THREE TIMES THE AMOUNT OF ACTUAL DAMAGES SUSTAINED, IF IT IS
12 ESTABLISHED BY CLEAR AND CONVINCING EVIDENCE THAT THE PERSON
13 VIOLATING THIS SECTION ENGAGED IN BAD FAITH CONDUCT OR
14 INTENTIONALLY VIOLATED THIS SECTION; OR

15 (II) THREE THOUSAND DOLLARS FOR EACH VIOLATION OF THIS
16 SECTION, WITH EACH VIOLATION OF THIS SECTION CONSTITUTING A
17 SEPARATE VIOLATION WITH RESPECT TO EACH CONSUMER AND
18 TRANSACTION INVOLVED.

19 (b) A CAUSE OF ACTION FOR DEFAMATION, INVASION OF PRIVACY,
20 OR NEGLIGENCE SHALL NOT ARISE AGAINST A PERSON:

21 (I) DISCLOSING PERSONAL OR PRIVILEGED DATA IN ACCORDANCE
22 WITH THIS SECTION; OR

23 (II) FURNISHING PERSONAL OR PRIVILEGED DATA TO A LICENSEE
24 OR PROCESSOR.

25 **SECTION 2.** In Colorado Revised Statutes, 10-3-1104, **add**
26 (1)(uu) as follows:

27 **10-3-1104. Unfair methods of competition - unfair or deceptive**

1 **practices - rules - definitions.**

2 (1) The following are defined as unfair methods of competition
3 and unfair or deceptive acts or practices in the business of insurance:

4 (uu) A VIOLATION OF SECTION 10-4-125 CONCERNING
5 HOMEOWNER'S INSURANCE CONSUMER DATA PRIVACY PROTECTIONS.

6 **SECTION 3. Act subject to petition - effective date.** This act
7 takes effect at 12:01 a.m. on the day following the expiration of the
8 ninety-day period after final adjournment of the general assembly (August
9 12, 2026, if adjournment sine die is on May 13, 2026); except that, if a
10 referendum petition is filed pursuant to section 1 (3) of article V of the
11 state constitution against this act or an item, section, or part of this act
12 within such period, then the act, item, section, or part will not take effect
13 unless approved by the people at the general election to be held in
14 November 2026 and, in such case, will take effect on the date of the
15 official declaration of the vote thereon by the governor.