

Amendments to House Bill No. 732
3rd Reading Copy

For the Senate Business, Labor, and Economic Affairs Committee

Prepared by Pat Murdo
March 31, 2005 (8:22am)

1. Title, page 1, line 13.

Strike: "SECTION"**Insert:** "SECTIONS 30-14-105 AND"

2. Page 1.

Following: line 17**Insert:** "Section 1. Section 30-14-105, MCA, is amended to read:**"30-14-105. Exemptions. This part applies to [sections 3 through 10] but does not apply to:**

(1) actions or transactions permitted under laws administered by the Montana public service commission or the state auditor; or

(2) acts of a retail merchant, publisher, owner, agent, or employee of a newspaper, periodical, or radio or television station or advertising agency in the publication or dissemination of an advertisement when the merchant, publisher, owner, agent, or employee did not have knowledge of the false, misleading, or deceptive character of the advertisement."

{Internal References to 30-14-105: None.}"

3. Page 3, line 30.

Strike: "2"**Insert:** "3"

4. Page 4, line 3.

Strike: "4"**Insert:** "5"**Strike:** "9"**Insert:** "10"

5. Page 4, line 6.

Strike: "4"**Insert:** "5"**Strike:** "9"**Insert:** "10"

6. Page 4, line 12.

Following: "records."

Insert: "The term also includes industries regulated by the public service commission or under Title 30, chapter 10."

7. Page 5, line 9.

Following: "(3); or"

Insert: "consistent with"

8. Page 5, line 16.

Following: "investigation"

Insert: "and requests a delay in notification"

9. Page 6, line 19.

Strike: "4"

Insert: "5"

Strike: "9"

Insert: "10"

10. Page 15, line 4.

Strike: "4"

Insert: "5"

11. Page 15, line 5.

Strike: "9"

Insert: "10"

12. Page 15, line 6.

Strike: "4"

Insert: "5"

Strike: "9"

Insert: "10"

13. Page 15, line 8.

Strike: "8"

Insert: "9"

14. Page 15, line 10.

Strike: "8"

Insert: "9"

15. Page 15, line 12.

Strike: "8(1)"

Insert: "9(1)"

16. Page 15, line 13.

Strike: "8(1)"

Insert: "9(1)"

17. Page 15, line 14.

Strike: "8(2)"

Insert: "9(2)"

18. Page 15, line 17.

Strike: "4"

Insert: "5"

Strike: "9"

Insert: "10"

19. Page 15, line 19.

Strike: "8"

Insert: "9"

20. Page 15.

Following: line 22

Insert: "NEW SECTION. Section 11. Computer security breach.

(1) Any licensee or insurance support organization that conducts business in Montana and that owns or licenses computerized data that includes personal information shall provide notice of any breach of the security of the system following discovery or notice of the breach of the security of the system to any individual whose unencrypted personal information was or is reasonably believed to have been acquired by an unauthorized person. The notice must be made in the most expedient time possible, consistent with the legitimate needs of law enforcement, as provided in subsection (3), or consistent with any measures necessary to determine the scope of the breach and restore the reasonable integrity of the data system.

(2) Any person to whom personal information is disclosed in order for the person to perform an insurance function pursuant to this part that maintains computerized data that includes personal information shall notify the licensee or insurance support organization of any breach of the security of the system in which the data is maintained immediately following discovery of the breach of the security of the system if the personal information was or is reasonably believed to have been acquired by an unauthorized person.

(3) The notice required by this section may be delayed if a law enforcement agency determines that the notice will impede a criminal investigation and requests a delay of notice. The notice required by this section must be made after the law enforcement agency determines that the notice will not compromise the investigation.

(4) For purposes of this section, the following definitions apply:

(a) "breach of the security of the system" means unauthorized acquisition of computerized data that compromises the security, confidentiality, or integrity of personal information maintained by a licensee, insurance support organization, or person to whom information is disclosed pursuant to this part. Acquisition of personal information by a licensee, insurance support organization, or employee or agent of a person as authorized pursuant to this part is not a breach of the security of the system.

(b) (i) "personal information" means an individual's first name or first initial and last name in combination with any one or more of the following data elements, when either the name or the data elements are not encrypted:

(A) social security number;
(B) driver's license number or state identification number;
(C) account number, credit or debit card number, in combination with any required security code, access code, or password that would permit access to an individual's financial account.

(ii) Personal information does not include publicly available information that is lawfully made available to the general public from federal, state, or local government records.

(5) Licensees, insurance support organizations, and persons to whom personal information is disclosed pursuant to this part shall develop and maintain an information security policy for the safeguarding of personal information and security breach notice procedures that provide expedient notice to individuals as provided in subsection (1)."

Renumber: subsequent sections

21. Page 15, line 24.

Following: "instruction."

Insert: "(1)"

Strike: "2"

Insert: "3"

Strike: "9"

Insert: "10"

22. Page 15, line 26.

Strike: "2"

Insert: "3"
Strike: "9"
Insert: "10"

23. Page 15.

Following: line 26

Insert: "(2) [Section 11] is intended to be codified as an integral part of Title 33, chapter 19, part 3, and the provisions of Title 33, chapter 19, part 3, apply to [section 11]."

- END -

