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AL REDMER, JR.
Commissioner

NANCY GRODIN
Deputy Commissioner

200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202
1-800-492-6116 TTY: 1-800-735-2258
www.insurance.maryland.gov

BULLETIN 19-14

DATE: August 29, 2019

TO: Insurers, Nonprofit Health Service Plans, Health Maintenance Organizations, Managed Care Organizations, Managed General Agents, and Third Party Administrators

RE: Breach of Security of a Computer System – Notification Requirement

The purpose of this Bulletin is to inform insurers, nonprofit health service plans, health maintenance organizations, managed care organizations, managed general agents and third party administrators of the new notice requirement regarding a breach of a security system (“Notice”). Effective October 1, 2019, companies are required to report security breaches to the Compliance & Enforcement Unit at the Maryland Insurance Administration.

Statutory Authority

Effective October 1, 2019, Insurance Article §4-406, Annotated Code of Maryland, provides:

(b)(1) A carrier shall notify the Commissioner on a form and in a manner approved by the Commissioner that a breach of the security of a system has occurred if the carrier:

- (i) conducts an investigation required under § 14–3504(b) or (c) of the Commercial Law Article; and
- (ii) determines that the breach of the security of the system creates a likelihood that personal information has been or will be misused.

(2) The carrier shall provide the notice required under paragraph (1) of this subsection at the same time the carrier provides notice to the Office of the Attorney General under § 14–3504(h) of the Commercial Law Article.

The Notice shall include the following elements:

A brief description of the circumstances of the security breach.

A copy of any notifications sent to consumers as a result of the security breach.

A copy of the notice of a breach of the security of a system submitted to the Office of the Attorney General, as required under § 14-3504(h).

A form for submitting the Notice can be found on the MIA's website at the following hyperlink: <https://insurance.maryland.gov/Insurer/Documents/bulletins/Notice-of-Breach-of-Security-System-FORM.pdf>

Please submit the Notice to Dawna Kokosinski, Chief Market Analyst, by mail or by e-mail to Dawna Kokosinski, Maryland Insurance Administration, 200 St. Paul Place, Baltimore, MD 21202 or dawna.kokosinski@maryland.gov.

Questions about this Bulletin may be directed to Dawna Kokosinski at (410) 468-2322, or Erica Bailey at (410) 468-2113.

AL REDMER, JR.
Commissioner

signature on original

By: _____

Erica J. Bailey
Associate Commissioner
Compliance & Enforcement

Notice of Breach of Security System
To the Maryland Insurance Commissioner

This Notice of Breach form must be completed if the carrier: (i) conducts an investigation required under § 14-3504(b) or (c) of the Commercial Law Article; and (ii) determines that the breach of the security of the system creates a likelihood that personal information has been or will be misused.

Company Name: _____

Name of person filing this Notice: _____ Phone Number: _____

Email Address: _____

Provide a brief description of the circumstances of the security breach.

In addition to the above, this Notice must be accompanied by the following documents:

- A form copy of all notifications sent to consumers as a result of the security breach.
- A copy of the notice of a breach of the security of a system submitted to the Maryland Attorney General, as required under § 14-3504(h).

MARYLAND INSURANCE ADMINISTRATION
MARKET CONDUCT ACTION
CERTIFICATE OF COMPLIANCE

Pursuant to Code of Maryland Regulations (“COMAR”) 31.04.20.05 E, I _____ hereby certify to the best of my knowledge, information, and belief, that the information hereto submitted to the Maryland Insurance Administration (“Administration”) represents a full, complete, and truthful Notice, as required under Insurance Article, § 4-406, Annotated Code of Maryland.

I further attest that I am an authorized officer/representative of the Company, that I have undertaken an adequate inquiry to provide this certification to the Commissioner, and am authorized to bind the company to the responses provided.

Signature: _____

Print Name: _____

Company: _____

Title: _____

Date: _____