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## Testimony of American Property Casualty Insurance Association (APCIA)

House Economic Matters Committee

House Bill 148

Commercial Law - Personal Information Protection Act - Revisions

January 27, 2021

### Letter of Opposition

The American Property Casualty Insurance Association (APCIA) represents more than 1200 insurers and reinsurers that provide critically important insurance protection throughout the U.S. and world. In combination, our members write 60% of the U.S. property casualty market. APCIA members represent all sizes, structures, and regions—protecting families, communities, and businesses in the U.S. and across the globe. In Maryland, our members write 66.6% of all written premium. APCIA appreciates the opportunity to provide written comments in opposition to House Bill 148.

State breach notification laws must strike the appropriate balance between providing meaningful notice guidelines that inform consumers when there is a risk of harm while avoiding the potential to desensitize consumers. HB 148 would amend the Personal Information Protection Act to modify the trigger for consumer notice from 45-days after concluding an investigation to 45-days following discovery or notice of a breach. This could significantly reduce timeframe within which a business must notify consumers. Further, the window of time for delivering notice following a law enforcement delay is reduced from 30-days to 7-days. Following a breach, businesses must assess the situation, prevent any potential damage, and perform a diligent investigation to understand the impact and whether any consumers will be affected. Without meaningful time to investigate, a business will be forced to over notify, which could inundate consumers with notices. As such, consumers will likely become desensitized and may ignore significant notices that require consumer action.

Additionally, the method for providing notice in the event of a breach should be flexible. The existing delivery framework in the Personal Information Protection Act achieves this necessary flexibility; however, HB 148 would require e-mail notices, website posting, and notification to major media outlets. As a practical matter, if just one Maryland consumer is impacted by a breach that triggers a notification obligation, the business would be required to post the breach notice on its website and notify major statewide media. This requirement could unnecessarily create consumer confusion and concern.

For these reasons, the APCIA urges the Committee to provide an unfavorable report on House Bill 148.