

**SB0207/583020/1**

BY: Finance Committee

AMENDMENTS TO SENATE BILL 207  
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 2, after “**Carriers**” insert “**and Managed Care Organizations**”; in line 15, after “information;” insert “**applying certain requirements relating to cybersecurity to managed care organizations;**”; in the same line, after “carriers” insert “**and managed care organizations**”; and in line 19, strike “19–706(p)” and substitute “**15–102.3(j), 19–706(p)**”.

On page 2, in line 13, strike “33–108” and substitute “**33–109**”.

AMENDMENT NO. 2

On page 2, after line 24, insert:

“**15–102.3.**

**(J) THE PROVISIONS OF § 33–105(F) OF THE INSURANCE ARTICLE APPLY TO MANAGED CARE ORGANIZATIONS.**”

AMENDMENT NO. 3

On page 5, in line 10, after “(C)” insert “**(1)**”; in line 11, after “AN” insert “**AUTHORIZED**”; strike line 15 in its entirety; in lines 11, 12, 13, 14, 16, and 17, strike “**(1)**”, “**(2)**”, “**(3)**”, “**(4)**”, “**(6)**”, and “**(7)**”, respectively, and substitute “**(I)**”, “**(II)**”, “**(III)**”, “**(IV)**”, “**(V)**”, and “**(VI)**”, respectively; in line 16, strike “AND” and substitute “**OR**”; after line 17, insert:

**(2) “CARRIER” DOES NOT INCLUDE:**

**(I) A PURCHASING GROUP OR A RISK RETENTION GROUP CHARTERED AND LICENSED IN A STATE OTHER THAN THIS STATE; OR**

**(II) A PERSON THAT IS ACTING AS AN ASSUMING INSURER THAT IS DOMICILED IN ANOTHER STATE OR JURISDICTION.**”;

and in line 24, after “OR” insert “NONPUBLIC”.

On page 6, in line 4, before “DETERMINED” insert “REASONABLY”; and in line 5, after “BEEN” insert “AND WILL NOT BE”.

On page 7, in line 16, after “THAT” insert “CAN BE USED TO IDENTIFY A PARTICULAR CONSUMER AND THAT”.

On page 8, in line 10, after “OR” insert “IS”; in line 11, after “OTHERWISE” insert “AUTHORIZED”; and in the same line, after “ACCESS” insert “TO”.

**AMENDMENT NO. 4**

On page 8, after line 22, insert:

**“(C) COMPLIANCE WITH THIS TITLE DOES NOT RELIEVE A CARRIER FROM A DUTY TO COMPLY WITH ANY OTHER REQUIREMENTS OF FEDERAL LAW OR TITLE 14 OF THE COMMERCIAL LAW ARTICLE RELATING TO THE PROTECTION AND PRIVACY OF PERSONAL INFORMATION.”**

**AMENDMENT NO. 5**

On page 14, in line 4, strike “ON” and substitute “EXCEPT AS PROVIDED IN SUBSECTION (K) OF THIS SECTION, ON”; in the same line, strike “FEBRUARY” and substitute “APRIL”; in line 6, strike “HAS ADOPTED AN INFORMATION SECURITY PROGRAM AND”; in line 7, strike “ADDITIONAL”; and after line 10, insert:

“(K) A CARRIER THAT IS NOT DOMICILED IN THE STATE IS EXEMPT FROM THE PROVISIONS OF SUBSECTION (J)(1) OF THIS SECTION IF THE CARRIER:

(1) (I) IS DOMICILED IN ANOTHER UNITED STATES INSURING JURISDICTION THAT HAS ADOPTED A LAW OR REGULATION THAT IS SUBSTANTIALLY SIMILAR TO THIS SECTION;

(II) IS SUBJECT TO THAT LAW OR REGULATION;

(III) IS REQUIRED TO FILE A CERTIFICATION OF COMPLIANCE WITH ITS DOMESTIC REGULATOR UNDER THAT LAW OR REGULATION; AND

(IV) ACTUALLY FILES THE REQUIRED CERTIFICATION WITH ITS DOMESTIC REGULATOR; OR

(2) (I) IS A MEMBER OF AN INSURANCE HOLDING COMPANY SYSTEM, AS DEFINED IN § 7-101 OF THIS ARTICLE; AND

(II) HAS IMPLEMENTED AND IS SUBJECT TO AN INFORMATION SECURITY PROGRAM THAT HAS BEEN APPROVED AND IS MAINTAINED BY ANOTHER CARRIER WITHIN THE SAME INSURANCE HOLDING COMPANY SYSTEM THAT MEETS ALL OF THE CRITERIA SET FORTH IN ITEM (1) OF THIS SUBSECTION.”

AMENDMENT NO. 6

On page 15, in line 15, after “(1)” insert “(I)”; and in the same line, after “DOMICILE” insert “; AND

(II) THE CYBERSECURITY EVENT HAS A REASONABLE LIKELIHOOD OF HARMING A CONSUMER RESIDING IN THE STATE OR ANY MATERIAL PART OF THE NORMAL OPERATIONS OF THE CARRIER”.

On page 17, strike in their entirety lines 14 through 21, inclusive, and substitute:

“(F) IF A MANAGED CARE ORGANIZATION CONDUCTS AN INVESTIGATION AS REQUIRED BY THE MARYLAND DEPARTMENT OF HEALTH IN ACCORDANCE WITH THE MANAGED CARE ORGANIZATION’S CONTRACT WITH THE MARYLAND DEPARTMENT OF HEALTH AND DETERMINES THAT A CYBERSECURITY EVENT HAS OCCURRED, THE MANAGED CARE ORGANIZATION SHALL PROVIDE TO THE COMMISSIONER COPIES OF ALL NOTICES AND REPORTS PROVIDED TO THE MARYLAND DEPARTMENT OF HEALTH AT THE SAME TIME AND IN THE SAME MANNER THAT THE MANAGED CARE ORGANIZATION PROVIDES THE NOTICES AND REPORTS TO THE MARYLAND DEPARTMENT OF HEALTH.”.

AMENDMENT NO. 7

On page 17, after line 21, insert:

“33-106.

(A) A CARRIER THAT IS SUBJECT TO, GOVERNED BY, AND COMPLIANT WITH THE PRIVACY, SECURITY, AND BREACH NOTIFICATION RULES ISSUED BY THE U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES, 45 C.F.R. PARTS 160 AND 164, ESTABLISHED UNDER THE HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996, AND THE HEALTH INFORMATION TECHNOLOGY FOR ECONOMIC AND CLINICAL HEALTH ACT, AND THAT MAINTAINS NONPUBLIC INFORMATION IN THE SAME MANNER AS PROTECTED HEALTH INFORMATION:

**(1) SHALL BE DEEMED TO BE IN COMPLIANCE WITH §§ 33-103 AND 33-104 OF THIS TITLE; AND**

**(2) MUST COMPLY WITH § 33-105(A) THROUGH (D) OF THIS TITLE.**

**(B) A CARRIER THAT IS SUBJECT TO, GOVERNED BY, AND IN COMPLIANCE WITH § 33-103 OF THIS TITLE SHALL BE DEEMED TO BE IN COMPLIANCE WITH §§ 14-3502 AND 14-3503 OF THE COMMERCIAL LAW ARTICLE.”;**

and on the same page, in line 22, strike “**33-106.**” and substitute “**33-107.**”.

On page 19, in lines 17 and 22, strike “**33-107.**” and “**33-108.**”, respectively, and substitute “**33-108.**” and “**33-109.**”, respectively.

**AMENDMENT NO. 8**

On page 17, in line 28, after “SECTION” insert “**OR FROM A MANAGED CARE ORGANIZATION IN ACCORDANCE WITH § 33-105(F) OF THIS TITLE**”.

On page 18, in line 12, before “SHARE” insert “**IF THE RECIPIENT AGREES TO MAINTAIN THE CONFIDENTIALITY AND PRIVILEGED STATUS OF THE DOCUMENTS, MATERIALS, OR OTHER INFORMATION,**”.

**AMENDMENT NO. 9**

On page 19, in lines 30 and 31, strike “Section 4” and substitute “**Sections 4 and 5**”; and in line 33, after “That” insert “**, except as provided in Section 5 of this Act.**”.

On page 20, after line 1, insert:

“SECTION 5. AND BE IT FURTHER ENACTED, That the implementation dates set forth in Sections 3 and 4 of this Act may be deferred for 1 year by a carrier that:

(1) has fewer than 25 employees; and

(2) if the insurance group of which the carrier is a member has annual direct written and unaffiliated assumed premium less than \$1,000,000,000, including international direct and assumed premium but excluding premiums reinsured with the Federal Crop Insurance Corporation and the Federal Flood Program, has less than:

(i) \$5,000,000 in gross annual revenue;

(ii) \$10,000,000 in year–end total assets; or

(iii) \$100,000,000 in annual direct written premium, including international direct and assumed premium but excluding premiums reinsured with the Federal Crop Insurance Corporation and the Federal Flood Program.”;

and in line 2, strike “5.” and substitute “6.”.