

Important Privacy Law Updates for Businesses, and How They Impact You

As privacy laws continue to evolve across the country, it's essential for businesses to stay informed about their obligations. States such as Iowa, Indiana, and Colorado have enacted comprehensive data privacy laws that require companies to be proactive about protecting consumer data. Here's what you need to know about these laws, how they could affect your business, and how to stay protected.

What Are These Laws?

Several states, including Iowa and Indiana, have passed their own privacy laws, such as the Iowa Consumer Data Protection Act and the Indiana Consumer Data Protection Act. These laws are designed to give consumers more control over their personal data and establish requirements for businesses, including:

- The right for consumers to access, delete, or correct their personal data.
- Strict consent requirements for processing sensitive data, such as health and biometric information.
- Notification obligations in the event of a data breach.

Why Should Businesses Be Concerned?

Failure to comply with these state privacy laws can result in hefty fines and lawsuits. Under Iowa's and Indiana's privacy laws, businesses can face regulatory enforcement actions, fines up to \$7,500 per violation, and lawsuits from consumers if their data rights are violated. Potential violations may include:

- **Data breaches:** If a business's systems are compromised and customer information is exposed.
- **Failure to meet compliance deadlines:** For example, missing the 45-day response window for consumer requests to access or delete their data.
- **Inadequate consent management:** Not obtaining proper consent before collecting or sharing sensitive consumer data.

What Would a Claim Look Like?

Imagine a scenario in which a hacker gains access to your system and exposes customer data. A customer could file a complaint with the Indiana attorney general, leading to investigations and fines. Additionally, if customers experience financial harm due to the breach, they may file lawsuits for damages, resulting in significant legal costs and reputational damage.

Where Can You Find Coverage?

The good news is that cyber liability insurance can help protect against many of these risks. Here's how:

- **Cyber liability:** Covers costs related to data breaches, including legal defense, notification expenses, and settlements.
- **Professional liability (E&O):** Protects against claims that your business failed to comply with data privacy laws or did not adequately protect sensitive information.
- **Directors and officers (D&O) insurance:** Helps defend your leadership team if they are sued for failing to oversee the company's compliance with privacy laws or for cybersecurity mismanagement.

With state privacy laws becoming stricter, now is the time to ensure your business is both compliant and covered. If you need guidance on your current coverage or would like to explore additional protection for these emerging risks, feel free to reach out.

Alec Immordino
ext 8784 | aimmordino@arlingtonroe.com

Essie Bennett
ext 2260 | ebennett@arlingtonroe.com

John Immordino
ext 8732 | jimmordino@arlingtonroe.com

Mark Swayze
ext 8648 | mswayze@arlingtonroe.com

Melissa Hilgendorf
ext 8774 | mhilgendorf@arlingtonroe.com

Sarah Immordino
ext 8731 | simmordino@arlingtonroe.com

Shelly Caldwell
ext 8687 | scaldwell@arlingtonroe.com

Sonya Townsend
ext 8668 | stownsend@arlingtonroe.com