

## SENATE BILL 354 (LIMÓN)

# INSURANCE CONSUMER PRIVACY PROTECTION ACT OF 2025

California Insurance Code Section 792 et seq.

The absence of modern and reasonable consumer privacy protections in California's insurance industry puts consumers at risk.

**SB 354, or the Insurance Consumer Privacy Protection Act**, authored by Senator Monique Limón and sponsored by Insurance Commissioner Ricardo Lara, is a comprehensive bill that strengthens California's existing insurance consumer privacy laws, while building out key provisions that enables our laws to keep pace with modern business practices in the insurance industry.

## HOW DOES SB 354 PROTECT CONSUMERS?

SB 354 would protect California consumers whose personal information is processed in connection with insurance transactions. This bill seeks to protect consumers through increased oversight and transparency by requiring that California insurance licensees comply with the following key provisions:

### THIRD-PARTY SERVICE PROVIDER OVERSIGHT



#### Oversight of **Third-Party Service Provider** Arrangements:



**Guiding Principle:** SB 354 ensures that contractual arrangements between licensees and vendor(s) provide for the security of consumers' personal information, and that the information will only be used for the purposes requested by the licensee in connection with the service provided by the third-party service provider.

### DATA MINIMIZATION



#### **Data Minimization** Principles in the Collection, Processing, Retention, or Sharing of Consumer Data:



**Guiding Principle:** SB 354 ensures that licensees are only collecting & using personal information related to the insurance transaction requested by the consumer, or based on consent that the consumer has given.

### RECORDS RETENTION & DELETION



#### **Records Retention & Deletion** Policies & Procedures:



**Guiding Principle:** SB 354 ensures that licensees develop policies and procedures related to records retention and deletion, including securely destroying personal information that is no longer needed.

### OPT-IN STANDARDS



#### **Opt-In** Standards:



**Guiding Principle:** SB 354 ensures that consumers' personal information will primarily be used to provide the insurance product requested by the consumer, and will not be used for other purposes without the express consent of the consumer.

**LIMITS ON SENSITIVE PERSONAL INFORMATION****Limitations on Sensitive Personal Information:**

**Guiding Principle:** SB 354 ensures that consumers' sensitive personal information will only be used to provide the insurance product requested by the consumer.

- NOTE: Prohibition on sale of consumers' personal information

**NOTICES TO CONSUMERS & ADVERSE UNDERWRITING DECISIONS****Consumer Privacy Notice(s) & Adverse Underwriting Decisions:**

**Guiding Principles:** SB 354 ensures that licensees provide notices to consumers containing meaningful information about what information is collected, how it is used, to whom it is disclosed, and what rights the consumer has under the law.

If an insurance licensee issues an adverse underwriting decision (i.e. when your insurance policy or coverage is cancelled, non-renewed, or rescinded, among others), then that licensee would be required to provide the consumer with the reasons that led to that decision.

**DATA USAGE GOVERNANCE PROCESSES & PROCEDURES****Governance Processes and Procedures on Data Use:**

**Guiding Principle:** SB 354 ensures that licensees establish and follow protocols to protect consumers' personal information, and provide data breach notifications to the California Department of Insurance.

**ACCESS & NON-RETALIATION****Access & Non-Retaliation:**

**Guiding Principle:** SB 354 ensures that consumers have reasonable access to their privacy rights and are not penalized for exercising or attempting to exercise those rights.

 Provision exceeds CA Privacy Rights Act (CPRA) of 2020

**? Questions?** Check out the [SB 354 Frequently Asked Questions](#).

NOTE: If enacted, SB 354 would be effective as of: January 1, 2026. Licensees will be provided with five (5) years to implement its 'Records Retention & Deletion Policy' from the effective date of this Act.

## Contact Us

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