



New Hampshire Data Privacy Law

On August 2, 2019, New Hampshire became the most recent of many states that have adopted an Insurance Data Security Law modeled after the National Association of Insurance Commissioners' (NAIC) [Insurance Data Security Model Law](#). New Hampshire Governor Chris Sununu signed Senate Bill 194-FN (SB194) into law, requiring “licensees,” as defined in the act, to implement information security programs, and to report cybersecurity events. SB194 goes into effect on January 1, 2020, and gives licensees one year from the effective date to implement the requisite information security programs. Licensees have two years from the effective date to require that third-party service providers implement appropriate measures to protect and secure information systems and nonpublic information.

Licensees covered by the act must develop, implement, and maintain information security programs that safeguard nonpublic information. As part of the program, licensees must establish a written incident response plan aimed at promptly and appropriately responding to cybersecurity events that compromise such nonpublic information. In the event of a breach, the licensee must notify the state’s Insurance Commissioner within three business days of a determination that a cybersecurity event has occurred. The act sets forth further detail concerning the content of a security plan and the licensee’s obligation to report a breach to the Commissioner.

Covered licensees have one year from the act’s effective date to implement the relevant cybersecurity requirements, and two years to implement procedures governing the use of third-party service providers. These provisions are set forth in P:4 of the act.

The act, at P:9, provides *a list of exemptions*, one of which is “a licensee with fewer than 20 employees, including any independent contractors.” It is important to note that this exemption applies to P:4, which covers the implementation of a security program and the use of third-party service providers. The exemption does not appear to apply to the other provisions of the act, such as P:5, investigation of a cybersecurity event; and P:6, notification of a cybersecurity event. For the full list of exemptions, see P:9 of the act.

A licensee who ceases to qualify for an exemption under this section shall have 180 days to comply with the provisions of P:4.

It is our understanding that there will be additional guidance on compliance from the New Hampshire Insurance Department. We will continue to monitor the situation and report any further developments.

For further information, [click here to see the act](#).