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STATE OF MAINE
SENATE
132ND LEGISLATURE
FIRST SPECIAL SESSION

SENATE AMENDMENT " " to S.P. 720, L.D. 1837, "An Act to Amend the Laws Affecting Insurance"

Amend the bill by striking out all of section 29 and inserting the following:

'Sec. 29. 24-A MRSA §2263, sub-§1-A is enacted to read:

1-A. Ancillary service provider. "Ancillary service provider" means a person that is not a licensee and that contracts with a 3rd-party service provider or with another ancillary service provider to maintain, process or store nonpublic information obtained from the licensee or is otherwise permitted access to nonpublic information obtained from the licensee through its provision of services to the 3rd-party service provider or other ancillary service provider.

Sec. 30. 24-A MRSA §2264, sub-§6, as enacted by PL 2021, c. 24, §1, is amended to read:

6. Oversight of 3rd-party service provider arrangements. A licensee shall:

- A. Exercise due diligence in selecting its 3rd-party service providers; and
B. Require each 3rd-party service provider to implement appropriate administrative, technical and physical safeguards to protect and secure the information systems and nonpublic information that are accessible to or held by the 3rd-party service provider; and
C. No later than January 1, 2027, require each 3rd-party service provider to notify the licensee when the 3rd-party service provider becomes aware of any cybersecurity event affecting nonpublic information obtained from the licensee that has occurred in an information system maintained by the 3rd-party service provider or by an ancillary service provider if the cybersecurity event has a reasonable likelihood of materially harming any consumer or any material part of the normal operations of the licensee.

Sec. 31. 24-A MRSA §2266, sub-§4, as enacted by PL 2021, c. 24, §1, is amended to read:

4. Notice regarding cybersecurity events of 3rd-party service providers and ancillary service providers. In the case of a cybersecurity event in an information system

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1 maintained by a 3rd-party service provider or ancillary service provider of which the
2 licensee has become aware:

3 A. The licensee shall respond to the cybersecurity event as described under subsection
4 1; and

5 B. The computation of the licensee's deadlines for notification under this section
6 begins on the day after the 3rd-party service provider notifies the licensee of the
7 cybersecurity event or the day after the licensee otherwise has actual knowledge of the
8 cybersecurity event, whichever is sooner.

9 ~~Nothing in this~~ This chapter may not be construed to prevent or abrogate an agreement
10 between a licensee and another licensee, a 3rd-party service provider or any other party to
11 fulfill any of the investigation requirements imposed under section 2265 or notice
12 requirements imposed under this subsection.'

13 Amend the bill by relettering or renumbering any nonconsecutive Part letter or section
14 number to read consecutively.

15 SUMMARY

16 This amendment amends the bill by replacing changes made in the bill to the Maine
17 Insurance Data Security Act. The amendment requires that a person who is licensed,
18 required to be licensed or otherwise authorized to operate pursuant to the insurance laws of
19 the State must require that a contracted 3rd-party service provider notify that person when
20 the 3rd-party service provider becomes aware of any cybersecurity event affecting
21 nonpublic information obtained from the person that has occurred in an information system
22 maintained by the 3rd-party service provider or an ancillary service provider if the event
23 has a reasonable likelihood of materially harming any consumer or any material part of the
24 normal operations of the person.

25 The amendment defines "ancillary service provider" as a person, not licensed under the
26 insurance laws of this State, that contracts with a 3rd-party service provider or another
27 ancillary service provider to maintain, process or store nonpublic information obtained
28 from a person licensed under the insurance laws of this State or is otherwise permitted
29 access to that information through its services to the 3rd-party service provider or other
30 ancillary service provider.

31 **SPONSORED BY:** _____

32 **(Senator BAILEY, D.)**

33 **COUNTY: York**