



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

SB3040

Introduced 1/20/2006, by Sen. Peter J. Roskam - Dave Syverson

SYNOPSIS AS INTRODUCED:

815 ILCS 530/5
815 ILCS 530/10
815 ILCS 530/25 new

Amends the Personal Information Protection Act. Adds written data to the definition of "breach of security of the system". Provides that the notification requirements of the Act apply to breaches of security concerning written data. Provides that any financial institution that has suffered a breach of security concerning personal information shall provide the owner or licensee of the personal information with free credit watch services for one year, if the personal information was, or is reasonably believed to have been, acquired by an unauthorized person.

LRB094 18896 LCT 54340 b

1 AN ACT concerning business.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Personal Information Protection Act is
5 amended by changing Sections 5 and 10 and by adding Section 25
6 as follows:

7 (815 ILCS 530/5)

8 Sec. 5. Definitions. In this Act:

9 "Data Collector" may include, but is not limited to,
10 government agencies, public and private universities,
11 privately and publicly held corporations, financial
12 institutions, retail operators, and any other entity that, for
13 any purpose, whether by automated collection or otherwise,
14 handles, collects, disseminates, or otherwise deals with
15 nonpublic personal information.

16 "Breach of the security of the system data" means
17 unauthorized acquisition of computerized or written data that
18 compromises the security, confidentiality, or integrity of
19 personal information maintained by the data collector. "Breach
20 of the security of the system data" does not include good faith
21 acquisition of personal information by an employee or agent of
22 the data collector for a legitimate purpose of the data
23 collector, provided that the personal information is not used
24 for a purpose unrelated to the data collector's business or
25 subject to further unauthorized disclosure.

26 "Personal information" means an individual's first name or
27 first initial and last name in combination with any one or more
28 of the following data elements, when either the name or the
29 data elements are not encrypted or redacted:

30 (1) Social Security number.

31 (2) Driver's license number or State identification
32 card number.

1 (3) Account number or credit or debit card number, or
2 an account number or credit card number in combination with
3 any required security code, access code, or password that
4 would permit access to an individual's financial account.

5 "Personal information" does not include publicly available
6 information that is lawfully made available to the general
7 public from federal, State, or local government records.

8 (Source: P.A. 94-36, eff. 1-1-06.)

9 (815 ILCS 530/10)

10 Sec. 10. Notice of Breach.

11 (a) Any data collector that owns or licenses personal
12 information concerning an Illinois resident shall notify the
13 resident that there has been a breach of the security of the
14 system data following discovery or notification of the breach.
15 The disclosure notification shall be made in the most expedient
16 time possible and without unreasonable delay, consistent with
17 any measures necessary to determine the scope of the breach and
18 restore the reasonable integrity, security, and
19 confidentiality of the data system.

20 (b) Any data collector that maintains computerized or
21 written data that includes personal information that the data
22 collector does not own or license shall notify the owner or
23 licensee of the information of any breach of the security of
24 the data immediately following discovery, if the personal
25 information was, or is reasonably believed to have been,
26 acquired by an unauthorized person.

27 (c) For purposes of this Section, notice to consumers may
28 be provided by one of the following methods:

29 (1) written notice;

30 (2) electronic notice, if the notice provided is
31 consistent with the provisions regarding electronic
32 records and signatures for notices legally required to be
33 in writing as set forth in Section 7001 of Title 15 of the
34 United States Code; or

35 (3) substitute notice, if the data collector

1 demonstrates that the cost of providing notice would exceed
2 \$250,000 or that the affected class of subject persons to
3 be notified exceeds 500,000, or the data collector does not
4 have sufficient contact information. Substitute notice
5 shall consist of all of the following: (i) email notice if
6 the data collector has an email address for the subject
7 persons; (ii) conspicuous posting of the notice on the data
8 collector's web site page if the data collector maintains
9 one; and (iii) notification to major statewide media.

10 (d) Notwithstanding subsection (c), a data collector that
11 maintains its own notification procedures as part of an
12 information security policy for the treatment of personal
13 information and is otherwise consistent with the timing
14 requirements of this Act, shall be deemed in compliance with
15 the notification requirements of this Section if the data
16 collector notifies subject persons in accordance with its
17 policies in the event of a breach of the security of the system
18 data.

19 (Source: P.A. 94-36, eff. 1-1-06.)

20 (815 ILCS 530/25 new)

21 Sec. 25. Credit watch services.

22 (a) Any financial institution that has suffered a breach of
23 security concerning personal information shall provide the
24 owner or licensee of the personal information with free credit
25 watch services for one year, if the personal information was,
26 or is reasonably believed to have been, acquired by an
27 unauthorized person.

28 (b) For purposes of this Section:

29 "Financial institution" means any bank, credit union,
30 mortgage banking company, savings bank, savings and loan
31 association, or other residential mortgage lender that
32 operates or has a place of business in this State.

33 "Credit watch services" means services that allow a
34 consumer electronic access to the information in his or her
35 credit report on demand and provide regular e-mail

1 notifications of changes to the consumer's credit report.