

“DATA SECURITY STUDY

SECTION 7.20. *The Joint Legislative Oversight Committee on Information Technology shall study liability issues associated with data security in both the public and private sectors. The Committee shall report its findings and any legislative proposals pertaining to liability issues associated with data security to the General Assembly on or before April 1, 2016. The study shall include all of the following:*

- (1) State liability issues.*
- (2) State and vendor financial liability for data security breaches.*
- (3) Methods of allocating risk for the State's vendors and IT contractors, including, but not limited to, the feasibility of maximum liability limits.*
- (4) In consultation with the Department of Insurance, an analysis of the feasibility of developing a surplus line insurance policy and rate schedule for data breach liability coverage.*
- (5) Federal government requirements.*
- (6) State response to data security threats and breaches.*
- (7) Third party liability issues.*
- (8) Recommendations for managing data liability for the State.*
- (9) Data breach liability allocation best practices in the public and private sectors.”*