

# State Comprehensive Privacy Laws: A 2024 Overview

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Over the past year, the landscape of state comprehensive privacy laws in the United States has significantly evolved, marking a pivotal moment for data protection and privacy rights. With 12 states having enacted comprehensive privacy laws and an additional 22 states pending legislation, the momentum for safeguarding personal information at the state level is unmistakably strong. This shift towards more stringent data protection measures highlights the existing laws, the implications for violators, and the critical role of cyber insurance in navigating this evolving legal landscape.

## Overview of State Privacy Laws

The 12 states that have taken the lead in passing comprehensive privacy laws include California, Colorado, Connecticut, Delaware, Iowa, Indiana, Montana, Oregon, Tennessee, Texas, Utah and Virginia. These laws are designed to give consumers more control over their personal information, requiring businesses to adhere to principles of transparency, data minimization and purpose limitation. The laws also provide rights to access, correction, deletion and sometimes data portability of personal information.

## Penalties for Non-Compliance

Violators of these comprehensive privacy laws face steep penalties, underscoring the gravity with which states view breaches of data privacy. Penalties vary widely across states, with fines ranging from a few thousand dollars to several million dollars per violation, depending on factors such as the violation's nature and intent. For instance, California's CCPA allows for fines of up to \$7,500 per intentional violation. Additionally, some states have enacted laws with a private right of action, enabling consumers to directly sue businesses for certain types of violations, further heightening the potential financial risk for non-compliance.

## The Role of Cyber Insurance

In response to the heightened risk landscape, cyber insurance plays a pivotal role in helping businesses manage the potential financial fallout from privacy law violations. Cyber insurance policies typically offer coverage under two main insuring agreements relevant to state privacy laws:

- 1. Privacy Liability Coverage:** This agreement covers claims arising from violations of privacy laws, including the failure to protect personal data, unauthorized disclosure and breaches of consumer privacy rights.
- 2. Regulatory Defense and Penalties:** This coverage addresses costs associated with investigations, defense, and penalties imposed by regulatory agencies due to non-compliance with privacy laws.

## Trends in Claims Activity and Insurer Concerns

Cyber insurance carriers are witnessing a significant rise in claims activity related to privacy violations, reflecting the broader trend of increasing enforcement of state privacy laws and growing awareness among consumers of their rights. This surge in claims is causing concern among insurers, as it represents a challenge in terms of accurately pricing policies and anticipating potential losses. The emerging trend underscores the essential nature of cyber insurance in today's digital age, prompting insurers to closely monitor legislative developments and adjust their offerings accordingly.

## Conclusion

As state comprehensive privacy laws continue to expand across the United States, the implications for businesses are profound. The potential for hefty fines and the right of private action highlights the importance of compliance and the need for robust risk management strategies, including the procurement of comprehensive cyber insurance coverage. As the legal and risk landscape continues to evolve, staying informed and prepared is more crucial than ever for businesses operating in this dynamic environment. Give one of our [Professional Liability Brokers](#) a call and let us help you find the right solution.