

# CCPA Compliance Guide for Insurance Companies

**Date:** 03/01/2025

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## 1. Overview of CCPA

The **California Consumer Privacy Act (CCPA)** is a **state-level privacy law** that grants **California residents** rights over their personal data. It affects any **business that collects, processes, or sells consumer data**, including **insurance companies**.

### ◆ Who Must Comply?

- Businesses with **\$25M+ in annual revenue**.
- Companies handling data of **50,000+ CA residents**.
- Companies earning **50%+ revenue from selling data**.

### ◆ Key CCPA Consumer Rights:

- ✓ **Right to Know** – Consumers can request what data is collected & shared.
  - ✓ **Right to Delete** – Consumers can ask businesses to delete their data.
  - ✓ **Right to Opt-Out** – Consumers can opt out of data sales.
  - ✓ **Right to Non-Discrimination** – No penalties for exercising privacy rights.
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## 2. CCPA & Insurance Industry Impact

Insurance companies collect **personally identifiable information (PII)** such as:

- ✂ Names, addresses, phone numbers
- ✂ Social Security Numbers (SSNs)
- ✂ Claims data, financial history
- ✂ Medical records (underwriting & claims processing)

### 💡 Why This Matters:

- **Non-compliance penalties:** Up to **\$7,500 per intentional violation**.
  - **Lawsuits for data breaches:** Consumers can sue for **unauthorized access**.
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## 3. How Insurance Companies Can Ensure CCPA Compliance

- ✓ **Develop a Privacy Policy** – Clearly explain what data is collected & how it's used.
- ✓ **Enable Consumer Data Requests** – Set up an **online portal** for CCPA requests.

- ✓ **Implement Opt-Out Mechanisms** – Provide a “**Do Not Sell My Data**” option.
  - ✓ **Enhance Data Security Measures** – Encrypt PII and **limit access to authorized personnel**.
  - ✓ **Vendor Compliance** – Audit **third-party providers** handling customer data.
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#### 4. Summary Table – CCPA Compliance Checklist

CCPA Requirement	Action for Insurance Companies
Provide <b>Privacy Notice</b>	Publish a <b>CCPA-compliant Privacy Policy</b>
Allow <b>Data Access &amp; Deletion Requests</b>	Create a <b>Consumer Data Request Portal</b>
Offer <b>Opt-Out for Data Sales</b>	Implement a “ <b>Do Not Sell My Info</b> ” <b>button</b>
Encrypt & Secure Data	Apply <b>AES-256 encryption</b> for sensitive data
Audit Third-Party Vendors	Require <b>CCPA compliance agreements</b>