

PRACTICES THAT ARE APPROPRIATE TO THE NATURE OF THE PERSONAL INFORMATION OWNED OR LICENSED AND THE NATURE AND SIZE OF THE BUSINESS AND ITS OPERATIONS.

(B) (1) A BUSINESS THAT USES A NONAFFILIATED THIRD PARTY AS A SERVICE PROVIDER TO PERFORM SERVICES FOR THE BUSINESS AND DISCLOSES PERSONAL INFORMATION ABOUT AN INDIVIDUAL RESIDING IN THE STATE UNDER A WRITTEN CONTRACT WITH THE THIRD PARTY SHALL REQUIRE BY CONTRACT THAT THE THIRD PARTY IMPLEMENT AND MAINTAIN REASONABLE SECURITY PROCEDURES AND PRACTICES THAT:

(I) ARE APPROPRIATE TO THE NATURE OF THE PERSONAL INFORMATION DISCLOSED TO THE NONAFFILIATED THIRD PARTY; AND

(II) ARE REASONABLY DESIGNED TO HELP PROTECT THE PERSONAL INFORMATION FROM UNAUTHORIZED ACCESS, USE, MODIFICATION, DISCLOSURE, OR DESTRUCTION.

(2) THIS SUBSECTION SHALL APPLY TO A WRITTEN CONTRACT THAT IS ENTERED INTO ON OR AFTER JANUARY 1, 2009.

14-3504.

(A) IN THIS SECTION:

(1) "BREACH OF THE SECURITY OF A SYSTEM" MEANS THE UNAUTHORIZED ACQUISITION OF COMPUTERIZED DATA THAT COMPROMISES THE SECURITY, CONFIDENTIALITY, OR INTEGRITY OF THE PERSONAL INFORMATION MAINTAINED BY A BUSINESS ~~AND WILL LIKELY RESULT IN A MATERIAL RISK OF IDENTITY THEFT;~~ AND

(2) "BREACH OF THE SECURITY OF A SYSTEM" DOES NOT INCLUDE THE GOOD FAITH ACQUISITION OF PERSONAL INFORMATION BY AN EMPLOYEE OR AGENT OF A BUSINESS FOR THE PURPOSES OF THE BUSINESS, PROVIDED THAT:

~~(I) THE PERSONAL INFORMATION IS NOT USED OR SUBJECT TO FURTHER UNAUTHORIZED DISCLOSURE; AND~~

~~(II) IT IS NOT LIKELY THAT THE ACQUISITION WILL RESULT IN A MATERIAL RISK OF IDENTITY THEFT.~~