



California Consumer Privacy Act and a Summary of Its Impact

By Corporate Privacy Office
The Guardian Life Insurance Company of America

California recently enacted the most extensive expansion of U.S. privacy law in years: the California Consumer Privacy Act (“CCPA”). CCPA was referred to by the California Legislature as “First in Nation”. The bill passed by a unanimous vote of the legislature on June 28, 2018 and signed the same day by Governor Jerry Brown. The Act moved through the legislative process from start to finish in just a few days. As a result, on January 1, 2020, California consumers will have broad new rights to access and erase their personal information and to prevent its sale.

How Did This Happen so Fast?

Credit the heightened privacy awareness that followed Cambridge Analytica. A referendum proposing even tougher privacy standards than the CCPA was set to be put before California voters this fall. The legislature thus moved quickly to put its own bill together. The California business community strategically selected to stand back and let the legislature act—passing a bill that business doesn’t love in order to preempt a more onerous referendum.

What Does the Act Apply To?

The Act applies to any for-profit business that has more than \$25 million in annual revenue and transacts with more than 50,000 California residents’ data annually.

The revenue threshold is global, not California-specific, and will be increased every two years based on the U.S. Consumer Price Index.

What Are the Key Changes in the Law?

In its current form, the CCPA creates extensive individual privacy rights, including:

- The right to know what personal information is collected;
- The right to know whether their personal information is sold;
- The right to know whether their personal information is disclosed and to whom;
- The right to opt-out of the sale of their personal information, with “selling” broadly defined under the law;
- The right to access their personal information;
- The right to request the deletion of their personal information; and
- The right to equal service and price, regardless of whether they exercise their privacy rights.

In particular, the opt-out right and the rights of access, deletion and equal service are new and significant.

“Personal information” is defined broadly by CCPA. It includes not just data points that explicitly identify a customer, but almost any sort of anonymous data that could be associated with the customer, including online behavioral advertising.

We will continue to update you on additional developments with regard to Guardian’s implementation of the CCPA requirements.

Please note: This communication is not intended to serve as legal advice. We recommended you consult with independent legal counsel to determine the impact on your company.