

The New York SHIELD Act



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The so-called New York SHIELD Act has been in effect since March of 2020, yet many companies covered by the legislation are not aware of its existence and, therefore, are not in compliance.

As recent enforcement actions demonstrate, noncompliance can lead to significant penalties. SHIELD stands for “Stop Hacks and Improve Electronic Data Security.” And, as the name implies, the SHIELD Act requires businesses to implement safeguards for the “private information” of New York residents and to report security breaches.

The SHIELD Act applies to any business that owns or licenses computerized data containing the “private information” of a resident of New York. Private information is defined as personal information—information about a natural person—in combination with any one or more of the following data elements: social security number, driver’s license number, account number, or credit or debit card number in combination with any required security code. Private information also includes biometric information, and username/email address and password credentials.

Businesses that are covered by the SHIELD Act, must implement and maintain reasonable safeguards to protect the security, confidentiality, and integrity of the private information. Specifically, the SHIELD Act sets forth steps a business must take to satisfy these requirements, including the implementation of reasonable administrative, technical and physical safeguards.

Since 2020, Hodgson Russ lawyers have been interpreting the legislation and advising clients on array of issues related to the SHIELD Act including, but not limited to:

- what constitutes private information;
- how to develop a security program that addresses all of the mandated safeguards and industry best practices;
- how to conduct security audits;
- how to create an employee training program to support the security program;
- how to address the security breach requirements; and
- how to operationalize data minimization.

The SHIELD Act’s broad reach has implications for most New York businesses. To learn more about how it may impact your business, email or call one of our [Privacy and Security](#) lawyers.

